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**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION  
UNDER THE CONVENTION**

**Eleventh session**

**Bonn, 2–6 August 2010**

Item 3 of the provisional agenda

**Preparation of an outcome to be presented to the Conference of the Parties for adoption at its sixteenth session to enable full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012**

**Text to facilitate negotiations among Parties**

**Note by the Chair\***

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\* This document was submitted after the due date owing to the short interval between the tenth and eleventh sessions of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.

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## Introduction

1. In response to an invitation by the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) at its ninth session,<sup>1</sup> the Chair prepared, under her own responsibility, a text to facilitate negotiations among Parties for consideration at the tenth session of the AWG-LCA, drawing on the report of the AWG-LCA presented to the Conference of the Parties (COP) at its fifteenth session, as well as work undertaken by the COP on the basis of that report. The text is contained in document FCCC/AWGLCA/2010/6 and was made available to Parties on 17 May 2010.

2. At the tenth session of the AWG-LCA Parties considered the text to facilitate negotiations in the context of general policy debate in a plenary setting, in thirteen meetings of a contact group on thematic areas where Parties were invited to respond to questions posed by the Chair of the AWG-LCA and in meetings of five informal spin-off groups on specific issues facilitated by the Vice-Chair of the AWG-LCA and delegates.

3. This document contains a second iteration of the text to facilitate negotiations reflecting the Chair's sense of how the text could be advanced to further facilitate negotiations among Parties based on the work undertaken by the AWG-LCA at its tenth session.

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<sup>1</sup> FCCC/AWGLCA/2010/3, paragraphs 17 and 22.

## Chapter I

*The Conference of the Parties,*

*Pursuant to the Bali Action Plan (decision 1/CP.13) which recognizes the need for long-term cooperative action to enable the full, effective and sustained implementation of the Convention now, up to and beyond 2012,*

*Guided by the ultimate objective of the Convention, as stated in its Article 2,*

*Recalling the principles, provisions and commitments set forth in the Convention, in particular the provisions of Articles 3 and 4,*

*Reaffirming the political commitment and renewing the global partnership to combat climate change and to address existing deficiencies in the implementation of the Convention,*

*Acknowledging the important and ongoing role of the Kyoto Protocol in contributing to the ultimate objective of the Convention,*

*Deeply concerned about the findings of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change that the climate system is warming as a consequence of human activity,*

*Recognizing that the adverse effects of climate change are already evident and widespread, particularly in vulnerable regions of the world, and that a delay in prompt and sufficient global emission reductions will lead to significant additional cost for both mitigation and adaptation, constrain opportunities to achieve lower stabilization levels and increase the risk of large-scale, abrupt and irreversible impacts and breaches of critical climate thresholds,*

*Noting the important role of food production systems in mitigation and adaptation efforts,*

*Resolving to safeguard the survival of all nations and peoples threatened by the adverse effects of climate change,*

*Noting resolution 63/278 of the United Nations General Assembly on 'International Mother Earth Day', which acknowledges that the Earth and its ecosystems are our home and that in order to achieve a just balance among the economic, social, and environmental needs of present and future generations, it is necessary to promote harmony with nature and the Earth,*

*Emphasizing the need for deep cuts in global greenhouse gas emissions and early and urgent undertakings to accelerate and enhance the implementation of the Convention by all Parties, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities,*

*Acknowledging that the largest share of historical global emissions of greenhouse gases has originated in developed countries and that, owing to this historical responsibility, developed country Parties must take the lead in combating climate change and the adverse effects thereof [by adopting ambitious, [quantified, legally-binding and economy-wide domestic] emission reduction commitments or actions, and by providing adequate financial, technological and capacity-building support to developing country Parties],*

*Recognizing that developing country Parties are already contributing and will continue to contribute to a global mitigation effort in accordance with the provisions of the Convention and could enhance their mitigation actions depending on the provision of means of implementation by developed country Parties,*

*Reaffirming* that social and economic development and poverty eradication are the first and overriding priorities of developing country Parties, and also that the share of global emissions originating in developing countries will grow to meet their social and development needs,

*Also reaffirming* that policies and measures to respond to climate change are to be implemented in such a way as to minimize adverse effects on other Parties, especially developing country Parties,

*Recalling* the special national circumstances of Parties undergoing the process of transition to a market economy, as stated in Article 4, paragraph 6, of the Convention and relevant decisions by the Conference of the Parties, and of Parties whose special circumstances are recognized by decisions of the Conference of the Parties, such as decision 26/CP.7,

*Realizing* that addressing climate change requires a paradigm shift towards building a low-emission society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs,

*Recognizing* the need to engage a broad range of stakeholders at global, regional, national and local levels, be they governmental, including subnational and local government, private business or civil society, including the youth and persons with disability, and that gender equality and the effective participation of women and indigenous peoples are important for effective action on all aspects of climate change,

*Noting* resolution 10/4 of the United Nations Human Rights Council on ‘Human rights and climate change’, which recognizes that the adverse effects of climate change have a range of direct and indirect implications for the effective enjoyment of human rights and that the effects of climate change will be felt most acutely by those segments of the population that are already vulnerable owing to geography, gender, age, indigenous or minority status and disability,

*Having considered* the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention pursuant to paragraph 2 of the Bali Action Plan,

## **A. A shared vision for long-term cooperative action**

*Note from the Chair:* The choice of auxiliary verbs such as “shall” and “should” in this document will need to be made once the form and legal nature of the outcome to be presented to the Conference of the Parties at its sixteenth session has been determined.

*Agrees that*

1. Parties share a vision for long-term cooperative action that is to guide and enhance the full, effective and sustained implementation of the Convention in order to achieve its ultimate objective as set out in its Article 2; this vision addresses mitigation, adaptation, finance, technology development and transfer, and capacity-building in a balanced, integrated and comprehensive manner, giving equal weight to action on adaptation and mitigation.
2. Deep cuts in global emissions are required according to science, and as documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, with a view to reducing global emissions so as to maintain the increase in global temperature below [1][1.5][2] degrees Celsius above pre-industrial levels, and that Parties should take

action to meet this objective consistent with science and on the basis of equity[, taking into account historical responsibilities and equitable access to global atmospheric space].

3. Parties should cooperate in achieving the peaking of global greenhouse gas emissions by 2020 at the latest, and the peaking of national emissions as soon as possible, recognizing that the time frame for peaking of national emissions will be longer in developing country Parties, and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing country Parties and that a low-emission development strategy is indispensable to sustainable development.

4. Parties should collectively reduce global emissions by [50][85][95] per cent from 1990 levels by 2050 and should ensure that global emissions continue to decline thereafter. Developed country Parties as a group should reduce their greenhouse gas emissions by [[75-85][at least 80-95][more than 95] per cent from 1990 levels by 2050] [more than 100 per cent from 1990 levels by 2040].

*Note from the Chair on paragraphs 5–11: In response to the call from Parties to reflect all building blocks of the Bali Action Plan in the part on a shared vision for long-term cooperative action, the Chair has included paragraphs 5–11 below as an initial attempt to express a shared vision for the different elements.*

5. Adaptation is a challenge faced by all Parties and that enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing countries, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, especially the least developed countries and small island developing States, and further taking into account the needs of countries in Africa affected by drought, desertification and floods.

6. Enhanced action on adaptation should be undertaken in accordance with the Convention, follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and be based on and guided by the best available science, and, as appropriate, traditional knowledge, with a view to integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate.

7. Addressing the impact of the implementation of response measures is a challenge faced by all Parties, in particular developing country Parties, and that enhanced action and international cooperation on response measures is urgently required to enhance knowledge and understanding of the matter and to reduce vulnerability and build resilience in affected countries.

8. The full, effective and sustained implementation of the Convention requires long-term national and international cooperative efforts to accelerate research and development, demonstration, deployment, diffusion and transfer of environmentally sound technologies and know-how, in particular to developing country Parties.

9. In order to achieve the ultimate objective of the Convention, all Parties should cooperate, consistent with international obligations, through effective mechanisms, enhanced means, appropriate enabling environments and the removal of obstacles, and ensure the provision of technological support to developing country Parties to enable action on mitigation and adaptation.

10. In order to achieve the full, effective and sustained implementation of the Convention [and in the context of meaningful mitigation actions and transparency on implementation], developed countries shall provide new, additional, adequate, predictable and sustained financial resources. [Developed countries commit to a goal of mobilizing

jointly USD 100 billion dollars][Developed countries shall make assessed contributions of 1.5 per cent of the GDP of those countries] a year by 2020 to support enhanced action on mitigation and adaptation, technology development and transfer, and capacity-building in developing countries.

11. Capacity-building is cross-cutting in nature and essential to enable developing country Parties to participate fully in, and to implement effectively their commitments under, the Convention.

*Note from the Chair:* The section on a shared vision for long-term cooperative action of the report of the AWG-LCA presented to the COP at its fifteenth session contained a place holder for a 'provision on trade measures (reference to Article 3, paragraph 5, of the Convention)' to be elaborated.<sup>1</sup> Paragraph 12 below provides text to this end, drawn from Article 3, paragraph 5, of the Convention. Specific text on this subject matter can also be found in chapter VII (economic and social consequences of response measures) and chapter IX (cooperative sectoral approaches and sector-specific actions in agriculture) of this document.

12. The Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

## **B. Enhanced action on adaptation and its associated means of implementation**

*Establishes*

13. Pursuant to the provisions on enhanced action on adaptation presented in chapter II, the Adaptation Framework [for Implementation], with the objective of enhancing action on adaptation, including through international cooperation, for coherent consideration of matters relating to adaptation under the Convention, containing the following elements:

(a) [An Adaptation Committee] [A Subsidiary Body on Adaptation] [An Advisory Body on Adaptation];

(b) [An International Mechanism to address loss and damage];

(c) Regional centres and networks, where necessary;

(d) [A process for least developed country Parties to formulate and implement national adaptation plans that build upon the experience of the national adaptation programmes of action as a means of identifying medium- and long-term adaptation needs and developing strategies and programmes to address those needs].

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<sup>1</sup> FCCC/AWGLCA/2009/17, annex I, paragraph 5.

## C. Enhanced action on mitigation and its associated means of implementation

### 1. Nationally appropriate mitigation commitments or actions by developed country Parties

*Note from the Chair:* In the context of negotiations on item 1 (b) (i) of the Bali Action Plan, Parties have used different terms such as ‘all developed country Parties’, ‘all Annex I Parties’, ‘those Annex I Parties that are not Parties to the Kyoto Protocol’, ‘all developed country Parties and other Parties that voluntarily wish to take quantified emission reduction or limitation commitments’. Depending on the results of the negotiations, the terms used in this context may need to be made consistent.

*Note from the Chair:* Parties have a range of views on the relationship among paragraphs 14–20. For some Parties, paragraph 14 should be considered as an alternative to paragraphs 15–20, while other Parties see some or all of paragraphs 15–20 as compatible with paragraph 14. This issue needs to be clarified in the course of the negotiations.

Agrees that

14. [Developed country Parties commit to implement individually or jointly the quantified economy-wide emissions targets for 2020, to be submitted by these Parties in the format given in Appendix I.]

15. [Developed country Parties shall undertake, individually or jointly, legally binding nationally appropriate mitigation commitments or actions, [including][expressed as] quantified economy-wide emission reduction objectives [while ensuring comparability of efforts and on the basis of cumulative historical responsibility], [as part of their emission debt]].

16. [Developed country Parties’ quantified economy-wide emission reduction objectives shall be formulated as a percentage reduction in greenhouse gas emissions [for the period from 2013 to 2020] compared to 1990 or another base year [adopted under the Convention] [, and shall be inscribed in a legally binding agreement]].

17. [Annex I Parties that are Party to the Kyoto Protocol will, with the targets referred to in paragraph 14 above, further strengthen the emission reductions initiated by the Kyoto Protocol. For those Annex I Parties that are Parties to the Kyoto Protocol, the quantified economy-wide emission reduction [objectives] [commitments] shall be those adopted for the second commitment period under the Kyoto Protocol inscribed in Annex B of the Kyoto Protocol as amended and also listed in Appendix [X] to this decision; for other Annex I Parties, the agreed economy-wide quantified emission reduction [objectives] [commitments] shall be those listed in appendix [X] to this decision.]

18. These commitments are made with a view to reducing the aggregate greenhouse gas emissions of developed country Parties by [at least] [25–40] [in the order of 30] [40] [45] [50] [X\* per cent from [1990] [or 2005] levels by [2017][2020] [and by [at least] [YY] per cent by 2050 from the [1990] [ZZ] level].

19. The efforts by developed country Parties to reduce their greenhouse gas emissions shall be comparable in [legal form] [, [magnitude][measure] of effort,] [and provisions for measuring, reporting and verification [and compliance], and shall take into account their national circumstances and historical responsibilities]. [An objective, consistent, transparent, thorough and comprehensive technical assessment of the comparability of

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\* X is equal to the sum of reductions by Parties.

efforts among developed country Parties shall be facilitated by a technical panel on comparability.]

20. Developed country Parties shall achieve their quantified economy-wide emission reduction objectives [primarily] through domestic efforts and may use market based mechanisms that may be established under the Convention and related instruments [in a supplementary manner].

21. Developed country Parties shall prepare low-emission plans [, including norms for sustainable production and consumption in all relevant sectors] for long-term emission reductions so as to contribute to the achievement of a long-term aspirational and ambitious global goal for emission reductions.

22. Delivery of reductions by developed countries will be measured, reported and verified in accordance with existing and any further guidelines to be adopted by the Conference of the Parties at its XX session, and will ensure that accounting of such targets is rigorous, robust and transparent [, ensuring transparency and environmental integrity] [and taking into account the relevant provisions under the Kyoto Protocol] [such as provisions under Articles 5, 7 and 8 of the Kyoto Protocol].

23. [Developed country Parties shall enhance reporting on their mitigation action under the Convention as follows:

(a) Developed country Parties shall continue reporting their data on GHG emissions/removals through annual inventory submissions by 15 April every year; information to be provided as part of the inventory submission shall be based on the current reporting requirements under the Convention, with possible additional reporting elements to be specified in the guidelines referred to in the paragraph above;

(b) Developed country Parties shall submit, biennially by [15 April] starting from [20XX], progress reports on the implementation of their enhanced mitigation action under the Convention; information to be provided in these reports shall be specified in the guidelines referred to in the paragraph above and include the following:

(i) National greenhouse gas inventories;

(ii) Nature and status of progress towards achieving the quantified economy-wide emission reduction targets;

(iii) Estimated emission reduction or removals achieved from implementation of mitigation policies and measures;

(iv) Methodologies used and assumptions made in quantifying emission reductions or removals;

(v) Information on the provision of financial resources and support to technology transfer and capacity-building for developing country Parties;

(vi) Use of international emissions trading or other offsets.

(c) Developed country Parties shall continue submitting their national communications regularly, in intervals between three and five years; information to be provided as part of the national communication shall be based on the current reporting requirements under the Convention, with possible additional reporting elements to be specified in the guidelines referred to in paragraph 22 above.]

24. [The information reported by developed country Parties in accordance with the paragraph 23 above shall be subject to enhanced verification procedures, building on the

experience with the reporting and review process under the Convention and related instruments [, including relevant provisions under Articles 5, 7 and 8 of the Kyoto Protocol]. Verification procedures shall include technical reviews of GHG inventories by expert review teams, in-depth reviews of national communications by expert review teams, periodic considerations of the reported information by subsidiary bodies under the Convention, and other procedures as appropriate, in accordance with existing and any further guidelines to be adopted by the Conference of the Parties at its XX session.]

25. [The role of land use, land-use change and forestry in meeting quantified economy-wide emission reduction objectives should be in accordance with guidelines to be adopted by the Conference of the Parties [as referred to in paragraph 22 above].]

26. [Procedures for measurement, reporting and verification of enhanced mitigation action by developed country Parties shall take into account specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, consistent with Article 4, paragraph 8, of the Convention.]<sup>2</sup>

27. [Principles, modalities, rules and guidelines to promote compliance with commitments by developed country Parties should be developed [, taking into account relevant provisions under the Kyoto Protocol as appropriate].]

## **2. Nationally appropriate mitigation actions by developing country Parties**

*Note from the Chair:* In the context of negotiations on item 1 (b) (ii) of the Bali Action Plan, Parties have used different terms such as ‘developing countries’, ‘developing country parties’, and ‘non-Annex I Parties’. Depending on the results of the negotiations, the terms used in this context may need to be made consistent.

*Agrees that*

28. [Developing country Parties, in the context of sustainable development, will undertake nationally appropriate mitigation actions, enabled and supported by finance, technology and capacity-building. The extent to which these Parties will implement mitigation actions will depend on effective provision of finance, technology and capacity-building support as embodied in Article 4, paragraph 7 of the Convention. Developing country Parties will also undertake domestically funded mitigation actions in accordance with their respective capacities. ]

29. [[Developing country Parties will implement the mitigation actions submitted to the secretariat in the format of Appendix II, consistent with Article 4, paragraph 1, and Article 4, paragraph 7, and in the context of sustainable development.][Those mitigation actions taken and envisaged by developing countries [shall] be communicated in national communications or otherwise communicated to the secretariat and be added to the list in Appendix II.]]

30. Nationally appropriate mitigation actions seeking international support will be recorded in a mechanism referred to in paragraphs 31–33 and 49–50 below along with relevant technology, finance and capacity-building support.

31. Pursuant to Article 12, paragraph 4, of the Convention, developing country Parties [may] [shall] submit to the mechanism [, on a voluntary basis,] proposals for nationally appropriate mitigation actions for which they are seeking support, along with an estimate of all related incremental costs, indication of type of support, an estimate of mitigation benefits and the anticipated time frame for implementation. Support sought for specific

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<sup>2</sup> According to the Bali Action Plan, consideration of economic and social consequences of response measures is not limited to mitigation action by developed country Parties only.

nationally appropriate mitigation actions may include support related to enhancing capacity for the design, preparation and implementation of such actions.

32. [Proposed nationally appropriate mitigation actions [may] [shall] also be submitted to the mechanism for technical analysis of the methodologies used to estimate the incremental costs and the expected emissions reductions in accordance with guidelines to be adopted by the Conference of the Parties].

33. The mechanism shall facilitate and record the [matching of] [application of] support for proposed nationally appropriate mitigation actions by developing countries [only] through the [financial and technology mechanisms] and bilateral, regional and other multilateral sources of funding and with capacity-building [through the framework for capacity-building].

34. [Mitigation actions supported by international technology, financial, or capacity-building support will be added to the list in Appendix II [along with the support provided].]

35. [Nationally appropriate mitigation actions, enabled and supported by finance, technology and capacity-building, shall be subject to measurement, reporting and verification at the international level in accordance with guidelines to be adopted by the Conference of the Parties at its XX session.]

36. [Domestically-funded mitigation actions taken by developing country Parties will be subject to their domestic measurement, reporting and verification.]

*Note from the Chair: resolution of the issues presented in paragraph 37 below depends on the resolution of issues related to various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions considered in chapter VIII.*

37. For measurement, reporting and verification of mitigation actions covered by market-based mechanisms, the requirements and rules governing participation in the relevant market-based mechanisms shall apply.

38. Developing country Parties shall prepare, in accordance with Article 12, paragraph 1, of the Convention, national communications based on [provisions of paragraphs 35–36 and 39–40 and] revised guidelines to be adopted by the Conference of the Parties at its [XX] session [based on recommendation by the SBI]. These national communications should be submitted to the Conference of the Parties [every [six][four] years] and their preparation should be supported by finance and capacity-building.

39. [Developing country Parties should, as part of their national communications, also prepare and submit biennially [beginning in 20XX] to the Conference of the Parties the following elements:

- (a) National greenhouse gas inventories;
- (b) [Status of implementation of mitigation actions and estimated emission reductions or removals achieved from implementation of those actions;]
- (c) [Methodologies used and assumptions made in quantifying emissions reductions or removals;]
- (d) [Information on receipt of finance, technology and capacity-building support;]
- (e) [Result of domestic verification of domestically funded autonomous actions.]

40. Least developed country Parties and small island developing States may prepare and submit national communications [and elements listed in paragraph 39 above,] at their discretion.

41. [International consultation and analysis shall apply to national communications in the context of paragraph 38 and elements identified in paragraph 39 above. It should be a facilitative, technical and confidence building process, undertaken in accordance with clearly defined guidelines described in paragraphs 42–43 below and based on the following guiding principles:

- (a) Party driven process that respects national sovereignty;
- (b) Based on technical expertise, including the involvement of experts of the country concerned;
- (c) Carried out in the spirit of mutual respect, aimed at promoting better understanding and information sharing.]

42. [The analysis in the context of paragraph 41 above will be undertaken by an independent panel of experts, representing all regions.]

43. [International consultation of the result of the analysis in the context of paragraphs 41–42 above will take place under the auspices of the SBI.]

44. Enabling activities carried out by developing country Parties, in the context of preparation and elaboration of nationally appropriate mitigation actions, and related capacity-building, shall be supported on the basis of the agreed full costs.

45. [Enhanced support shall be provided to meet the agreed full costs incurred by developing country Parties in implementing the activities referred to in paragraphs 38–40.]

46. Developed country Parties shall provide new and additional financial resources, technology and institutional capacity-building support for nationally appropriate mitigation actions on the basis of agreed full incremental costs, in accordance with Article 4, paragraph 3, and Article 11 of the Convention.

47. [Mitigation actions listed in paragraphs [28] [and] [29] above will aim at achieving in aggregate a substantial deviation in emissions relative to the business as usual emissions in 2020.]

48. [Developing country Parties will prepare low-emission development plans. These plans will not be a precondition for support for nationally appropriate mitigation actions. Least developed country Parties and small island developing States may prepare low-emission development plans at their discretion.]

*Decides*

49. To establish a mechanism to record nationally appropriate mitigation actions for which developing countries are seeking support and to facilitate matching and recording of support by developed country Parties for each of those actions.

50. The Conference of the Parties shall adopt modalities and procedures for the operation of the mechanism referred to in paragraph 49 above.

51. [To request the SBI at its thirty-fourth session to prepare guidelines [in the context of paragraphs 38–43] above for consideration and adoption by the Conference of the Parties at its seventeenth session.]

*Note from the Chair:* Further consideration would be needed to clarify what guidelines would be required; the policy objectives on which the development of such guidelines

would be based; and how and in what time frame the SBI would develop the guidelines based on agreed policy objectives.

**3. Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries**

*Recognizes*

52. The crucial role of reducing emissions from deforestation and forest degradation and the need to enhance removals of greenhouse gas emission by forests, and agrees to the need to provide positive incentives to such actions through immediate establishment of a mechanism including REDD-plus,<sup>3</sup> to enable the mobilization of financial resources from developed countries.

*Agrees that*

53. Developing country Parties should, pursuant to provisions on REDD-plus as presented in chapter VI, contribute to mitigation actions in the forest sector by undertaking the following activities:

- (a) Reducing emissions from deforestation;
- (b) Reducing emissions from forest degradation;
- (c) Conservation of forest carbon stocks;
- (d) Sustainable management of forest;
- (e) Enhancement of forest carbon stocks;

**4. Cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1 (c), of the Convention**

*Agrees*

54. That cooperative sectoral approaches and sector-specific actions should be consistent with relevant provisions and principles of the Convention [, in particular the principle of common but differentiated responsibilities,] [and that it may be useful for Parties to explore these approaches and actions further].

55. [That the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels should be pursued working through the International Civil Aviation Organization and the International Maritime Organization, respectively, [taking into account the principles and provisions of the Convention,] [on a scale consistent with the long-term global goal defined in section A on a shared vision for long-term cooperative action].

56. To invite these organizations to report to the Conference of the Parties, at its seventeenth session, and to its subsidiary bodies, as appropriate, and at regular intervals thereafter, on relevant activities, policy approaches and measures established and under development, emission estimates and achievements in this respect].

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<sup>3</sup> In this text, “REDD-plus” refers to “policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”.

57. Parties shall pursue sectoral approaches and sector-specific action to enhance the implementation of Article 4, paragraph 1 (c), of the Convention in the agricultural sector pursuant to provisions presented in chapter IX.

**5. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries**

*[Decides*

58. To pursue various approaches, including opportunities to use markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, pursuant to the provisions presented in chapter VIII.]

**6. Economic and social consequences of response measures**

*Decides*

59. To [establish] [provide for] a forum and/or other arrangements to consider actions to address the impact of the implementation of response measures on Parties referred to in Article 4, paragraph 8, of the Convention, in accordance with guidance to be agreed by the Conference of the Parties, pursuant to provisions on economic and social consequences of response measures as presented in chapter VII.

**D. Enhanced action on the provision of financial resources and investment**

60. A new fund shall be established as an operating entity of the financial mechanism of the Convention to support projects, programmes, policies and other activities related to mitigation, including REDD-plus, adaptation, capacity-building, and technology development and transfer, pursuant to the provisions presented in chapter III.

*Agrees that*

61. The financial mechanism of the Convention shall be further operationalized with equitable and balanced representation of all Parties; through effective, efficient and transparent institutional arrangements; improved access to financial resources by developing countries, including direct access; and balanced allocation of resources between adaptation and mitigation.

62. The Conference of the Parties shall adopt provisions, based on existing and any further guidelines, to measure, report and verify the support provided by developed countries for enhanced action by developing country Parties, and will ensure that accounting of support is rigorous, robust and transparent.

63. [Developed country Parties shall report [annually] [biennially] [through national communications] information on the finance, technology transfer and capacity-building support provided for actions undertaken by developing countries. The support shall be verified through a system based on existing in-depth review of national communications from Annex I Parties in accordance with the guidelines to be developed by the Conference of Parties.]

*Note from the Chair: Specific elements of measurement, reporting and verification of support, including institutional arrangements, will be further elaborated as discussions on related issues progress.*

*Decides that*

64. Enhanced action on the provision of financial resources and investments shall be implemented pursuant to the provisions presented in chapter III.

## **E. Enhanced action on development and transfer of technology**

*Decides to*

65. Establish a Technology Mechanism pursuant to the provisions on enhanced action on technology development and transfer in support of action on adaptation and mitigation as presented in chapter IV, which will be guided by a country-driven approach and be based on national circumstances and priorities, consisting of:

- (a) A Technology Executive Committee, with its full mandate and composition as elaborated in chapter IV and its modalities to be adopted by the Conference of the Parties at its seventeenth session;
- (b) A Climate Technology Centre and Network to support and accelerate the diffusion and transfer of environmentally sound technologies for mitigation and adaptation to developing country Parties through the provision of technical assistance and training with its full mandate and composition as elaborated in chapter IV and its modalities to be adopted by the Conference of the Parties at its seventeenth session.

## **F. Enhanced action on capacity-building**

*Agrees that*

66. Capacity-building is cross-cutting in nature and essential to enable developing country Parties to participate fully in, and to implement effectively their commitments under, the Convention.

*Decides that*

67. Enhanced action on capacity-building, including as it relates to provisions of financial support, shall be implemented pursuant to the provisions presented in chapter V.

## **G. Review**

68. The Conference of the Parties shall periodically review the long-term goal, in light of the Convention's ultimate objective, as well as overall progress in implementing the Convention, in accordance with the provisions of the Convention.

69. This review should take into account:

- (a) The best available scientific knowledge, including the assessment reports of the Intergovernmental Panel on Climate Change, as well as relevant technical, social and economic information;
- (b) Observed impacts of climate change, especially impacts on particularly vulnerable developing countries;
- (c) An assessment of the overall aggregated effect of the steps taken by the Parties in order to achieve the ultimate objective of the Convention;

(d) Consideration of strengthening the long-term goal, referencing various matters presented by the science, including in relation to temperature rises of 1.5 degrees Celsius.

*Note from the Chair on paragraph 69: Further discussion on the treatment of the element contained in paragraph 4, option 1, subparagraph (c), of the text to facilitate negotiations (FCCC/AWGLCA/2010/6) is needed in order to determine how best to address this element.*

*Note from the Chair on paragraph 69 (d): The numerical value in this subparagraph is related and without prejudice to paragraph 2 above.*

70. The Conference of the Parties shall take appropriate action based on this review.

*Note from the Chair on paragraph 70: Parties may wish to consider whether the action to be taken on the basis of the review should be further specified.*

71. Further modalities of this review shall be determined by the Conference of the Parties. The first review should start as early as possible, but no later than 2013, and shall be concluded no later than 2015. Subsequent reviews should be undertaken periodically, every five years.

*Note from the Chair on paragraph 71: Regarding the frequency of the reviews, Parties may wish to consider the importance, on the one hand, of specifying a concrete time period, and, on the other hand, of ensuring appropriate consultation and coordination with the Intergovernmental Panel on Climate Change in regard to its full assessment cycle.*

**Appendices**

**Appendix I (in relation to para. 14)**

**Quantified economy-wide emissions targets for 2020**

Annex I Parties	<i>Quantified economy-wide emissions targets for 2020</i>	
	Emissions reduction in 2020	Base year

**Appendix II (in relation to paragraph 29 and 34)**

**Nationally appropriate mitigation actions of developing country Parties**

Non-Annex I Parties	Actions

**Appendix X (in relation to para. 17)**

**[To be elaborated]**

## Chapter II

### Enhanced action on adaptation

*Note from the Chair:* the paragraphs below contain further provisions on enhanced action on adaptation referred to in paragraph 13 of chapter I.

*[The Conference of the Parties,*

1. [Agrees that adaptation to the adverse effects of climate change [and/or to the impact of the implementation of response measures] is a challenge faced by all Parties and that enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing country Parties, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, especially the least developed countries and small island developing States, and further taking into account the needs of countries in Africa affected by drought, desertification and floods;]
2. *Establishes* the Adaptation Framework [for Implementation] with the objective of enhancing action on adaptation, including through international cooperation, for coherent consideration of matters relating to adaptation under the Convention;
3. *Affirms* that enhanced action on adaptation should be undertaken in accordance with the Convention; follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems; and be based on and guided by the best available science, and as appropriate traditional knowledge; with a view to integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate;
4. *Invites* all Parties to enhance adaptation action under the Adaptation Framework [for Implementation] taking into account their common but differentiated responsibilities and respective capabilities, and specific national and regional development priorities, objectives and circumstances, [and whereby developing country Parties shall be supported by developed country Parties and in accordance with paragraph 6 below], to undertake, inter alia:
  - (a) Planning, prioritizing and implementing adaptation actions, including projects and programmes,<sup>1</sup> and actions identified in national and subnational adaptation plans and strategies, national adaptation programmes of action of least developed countries, national communications, technology needs assessments and other relevant national planning documents;
  - (b) Impact, vulnerability and adaptation assessments, including assessments of financial needs as well as economic, social and environmental evaluation of adaptation options;
  - (c) Strengthening institutional capacities and enabling environments for adaptation, including for climate-resilient development and vulnerability reduction;
  - (d) Building resilience of socio-economic and ecological systems, including through economic diversification and sustainable management of natural resources;

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<sup>1</sup> Including, inter alia, in the areas of water resources; health; agriculture and food security; infrastructure; socio-economic activities; terrestrial, freshwater and marine ecosystems; and coastal zones.

- (e) Enhancing climate change related disaster risk reduction strategies, considering the Hyogo Framework for Action<sup>2</sup> where appropriate; early warning systems; risk assessment, and management and sharing and transfer mechanisms such as insurance [, compensation and rehabilitation]; at local, national, subregional and regional levels, as appropriate, to address loss and damage associated with climate change impacts in those developing countries that are particularly vulnerable to the adverse effects of climate change [and/or to the impact of the implementation of response measures];
- (f) Measures to enhance understanding, coordination and cooperation related to national, regional and international climate change induced displacement, migration and planned relocation, where appropriate;
- (g) Research, development, demonstration, diffusion, deployment, and transfer of technologies, practices, and processes; and capacity-building for adaptation, with a view to promoting access to technologies [, in particular in developing country Parties];
- (h) Strengthening data, information and knowledge systems, education and public awareness;
- (i) Improving climate-related [and related to the impact of the implementation of response measures] research and systematic observation for climate data collection, archiving, analysis and modelling for improved climatic-related data and information to decision-makers at national and regional levels;
- (j) [Action identified in decisions 5/CP.7 and 1/CP.10;]
- (k) ([Minimizing adverse social, environmental and economic impacts on developing countries;]

5. [Decides to establish a process for least developed country Parties to formulate and implement national adaptation plans that build upon the experience of the national adaptation programmes of action, as a means of identifying medium- and long term adaptation needs and developing strategies and programmes to address those needs;]

*Note from the Chair:* resolution of the issues presented in paragraph 6 below depends on the resolution of interdependent issues related to finance, technology and capacity-building.

6.

Option 1:

*Decides* that developed country Parties shall provide developing country Parties, especially those that are vulnerable, with long-term, scaled up, adequate, new and additional to official development assistance commitments and predictable and grant-based finance from public sources in the order of at least [x billion] [x per cent of the gross domestic product of developed country Parties] as part of the repayment of their climate debt and their historic responsibility based on greenhouse gas emissions, as well as with support for technology, insurance and capacity-building to implement urgent, short-, medium- and long-term adaptation actions, plans, programmes and projects at local, national, subregional and regional levels, in and across different economic and social sectors and ecosystems, including the activities referred to in paragraph 4 above;

*Also decides* that access to financial support for adaptation should be simplified, expeditious and direct, with priority given to particularly vulnerable developing country

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<sup>2</sup> <<http://www.unisdr.org/eng/hfa/hfa.htm>>.

Parties [, especially the least developed countries and small island developing States, and further taking into account the needs of countries in Africa affected by drought, desertification and floods] [as well as other vulnerable developing country Parties with coastal areas, tropical and mountainous glaciers and fragile ecosystems];

Option 2:

*Urges* developed country Parties and other developed Parties included in Annex II to substantially scale up financial support as well as technology and capacity-building assistance to support adaptation efforts of developing country Parties [and Parties with special circumstances as recognized by a decision by the Conference of the Parties], especially those that are particularly vulnerable to the adverse effects of climate change, based on the priorities identified in their relevant planning and policymaking processes and in undertaking the activities referred to in paragraph 4 above;

7. *Decides* to strengthen, enhance and better utilize existing institutional arrangements and expertise under the Convention [, to establish an Adaptation Committee<sup>3</sup> under the Convention, with equitable representation of Parties, elaborate and adopt modalities at its seventeenth session,] [and to consider the need for new institutional arrangements, including for a Subsidiary Body for Adaptation or an Advisory Body,] in order to guide [, supervise,] support [, administer and monitor] the implementation of the Adaptation Framework [for Implementation] and, inter alia:

- (a) To provide scientific advice and technical support to Parties, respecting the country-driven approach, including for:
  - (i) Undertaking risk, vulnerability and adaptation assessments, and adaptation planning;
  - (ii) Developing broad guidance for undertaking vulnerability and adaptation assessments, and developing national adaptation plans and strategies;
  - (iii) Implementing adaptation actions;
  - (iv) Integrating adaptation actions into sectoral and national planning and other ways to enable climate-resilient development;
- (b) To support the assessment of adaptation needs [and adaptive capacity] of developing country Parties, including needs related to finance, technology[, compensation for loss and damage resulting from sudden and gradual impacts of climate change] [, insurance] [, including micro-insurance,] and capacity-building;
- (c) To strengthen, consolidate and enhance the sharing of information, knowledge, including traditional knowledge, experience and good practices, at local, national, regional and international levels, consistent with the relevant international agreements, by creating forums where different public and private stakeholders can discuss concrete challenges;
- (d) To encourage, enable, and support:
  - (i) Regional and international organizations and institutions to enhance adaptation action, including through funding adaptation activities, strategies and programmes;

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<sup>3</sup> The Adaptation Committee shall consist of 32 members nominated by Parties, with 20 members from Parties not included in Annex I of the Convention. The members of the Committee shall serve in their personal capacities.

- (ii) The creation of partnerships between a range of stakeholders in developing and developed country Parties, with a view to enhancing the development and transfer of technologies for adaptation and the implementation of adaptation action;
- (e) To strengthen the catalytic role of the Convention;
- (f) To support the development and enhancement of endogenous capacities, facilitating the removal of barriers and enhancing accessibility, affordability, appropriateness and adaptability of technologies for adaptation;
- (g) To receive, evaluate and approve the applications of financial support from developing country Parties for the implementation of adaptation projects, programmes and actions; and to provide such financial support through the financial mechanism;
- (h) To support and promote the implementation of the Adaptation Framework [for Implementation] in all countries, particularly developing country Parties, at the most appropriate level, recognizing the important roles of state and regional governments;
- (i) To plan, organize, coordinate, monitor and evaluate international actions on adaptation, including the means of implementation;
- (j) To consider information communicated through the monitoring, review and reporting of [the provision of means of] implementation [and] [of] adaptation actions;

8.

Option 1:

*Establishes* an international mechanism to address [social, economic and environmental] loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change [and/or to the impact of the implementation of response measures], including impacts related to extreme weather events and slow onset events,<sup>4</sup> through risk management, insurance, compensation and rehabilitation;

*Decides* to elaborate modalities and procedures for the international mechanism to address loss and damage, for adoption by the Conference of the Parties at its seventeenth session;

Option 2:

*Agrees* on the need to strengthen international cooperation and expertise to address [social, economic and environmental] loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change [and/or to the impact of the implementation of response measures], including impacts related to extreme weather events and slow onset events,<sup>5</sup> including through risk management and insurance, as appropriate;

*Requests* Parties to explore whether risk management mechanisms may need to be established or enhanced at subnational, national, regional and international levels, as appropriate;

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<sup>4</sup> Including sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification.

<sup>5</sup> Including sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification.

9. *Invites* Parties to strengthen and, where necessary, establish regional centres and networks, in particular in developing countries, with support from developed country Parties and relevant organizations, as appropriate; to facilitate and enhance national and regional adaptation actions, in a manner that is country-driven, encourages cooperation and coordination between regional stakeholders, and improves the delivery of information between the Convention process and national and regional activities;

10. *Notes* that an international centre to enhance adaptation research and coordination could also be established in a developing country;

11.

Option 1:

*Requests* developed country Parties to support developing country Parties in strengthening and, where necessary, establishing designated national-level institutional arrangements for adaptation with a view to enhancing work on the full range of adaptation actions from planning to implementation;

Option 2:

*Invites* all Parties to strengthen and, where necessary, establish national-level institutional arrangements, with a view to enhancing work on the full range of adaptation actions from planning to implementation;

12.

Option 1:

*Decides* that all Parties should use existing channels to report, as appropriate, on activities undertaken, and support provided and received for adaptation actions in developing countries, and to provide information on progress, experiences and lessons learned to ensure transparency, mutual accountability and robust governance;

Option 2:

*Decides* that all Parties should report on support provided and received for adaptation action in developing countries pursuant to Article 12, paragraph 3, of the Convention, with the aim of identifying insufficiencies and discrepancies of support for consideration of the Conference of the Parties;

*Invites* all Parties to provide information on experiences and lessons learned from adaptation actions, where appropriate;

13. [*Invites* relevant multilateral, international, regional and national organizations, the public and private sectors, civil society and other relevant stakeholders to undertake and support enhanced action on adaptation at all levels, as appropriate, in a coherent and integrated manner, building on synergies among activities and processes, and to assist in the implementation of the Adaptation Framework [for Implementation];]

14. [*Requests* the secretariat to support the Adaptation Framework [for Implementation], in accordance with its mandate and subject to the availability of resources.]]

## Chapter III

### Enhanced action on the provision of financial resources and investment

*Agrees that*

1. The financial mechanism under Article 11 of the Convention shall be further operationalized to ensure full and effective implementation of the Convention, in particular the commitments contained in Article 4, paragraphs 3, 4, 5, 8 and 9, and in the context of Article 4, paragraph 7.

2. Scaled up, new and additional, predictable and adequate funding as well as improved access shall be provided to developing country Parties, in accordance with the relevant provisions of the Convention, to enable and support enhanced action on mitigation, including substantial finance to REDD-plus, adaptation, technology development and transfer, and capacity-building, for enhanced implementation of the Convention. In the context of meaningful mitigation actions and transparency on implementation, [developed countries commit to a goal of mobilizing jointly USD 100 billion dollars][developed countries shall make assessed contributions of 1.5 per cent of the GDP of those countries] a year by 2020 to address the needs of developing countries. This funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.

3. The main source of funding through the financial mechanism shall be new and additional financial resources provided by developed country Parties. Private-sector financing and other innovative sources of funding shall supplement the provision of public financial resources.

*Note from the Chair:* In the course of negotiations, Parties noted the work undertaken by the Advisory Group on Finance convened by the Secretary General of the United Nations to develop practical proposals to mobilize new and innovative resources for long-term financing for climate change, as pledged by developed countries. The report of the Advisory Group on Finance is due to be presented to the Secretary General of the United Nations on 29 October 2010.

*Takes note of*

5. The collective commitment by developed countries to provide new and additional resources, including in forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, especially the least developed countries and small island developing States, and further taking into account the needs of countries in Africa affected by drought, desertification and floods.

*Note from the Chair:* When considering the issues presented in paragraphs 1–3 above, Parties may wish to consider paragraphs 6–8 below, as they relate to generation of financial resources.

*Decides that*

6. [Developed country Parties] [All Parties, except least developed countries,] shall, beginning in 2013, provide resources based on an [assessed] [indicative] scale of contributions to be adopted and periodically updated by the Conference of the Parties.

7. The Conference of the Parties shall adopt provisions and arrangements for how international auctioning and cap-and-trade systems could be an international source of funding for climate change actions in developing countries.

8. For mitigation purposes the funds shall develop different incentive mechanisms to encourage ambitious action in all developing countries according to their own priorities and circumstances; funding should primarily be delivered through results-based mechanisms.

9. A new fund shall be established as an operating entity of the financial mechanism of the Convention, under the guidance of and accountable to the Conference of the Parties, to support projects, programmes, policies and other activities related to mitigation, including REDD-plus, adaptation, capacity-building, and technology development and transfer.

10. The new fund shall be governed by a board nominated by the Conference of the Parties at its seventeenth session on the basis of criteria to be determined at the sixteenth session of the Conference of the Parties. The board shall have an [equitable and balanced][equal] representation of developed country Parties and developing country Parties.

*Note from the Chair: resolution of the issues presented in paragraph 11 below depends on the resolution of interdependent issues related to adaptation, mitigation, technology and capacity-building.*

11. The board of the new fund shall establish specialized funding windows with the approval of the Conference of the Parties. A significant portion of the new multilateral funding for adaptation shall flow through the new fund. The board of the new fund will draw on the technical advice of the [list thematic bodies, as needed] when making funding decisions.

12. The new fund shall provide simplified, improved and effective access to financial resources in a timely manner, including direct access.

13. The new fund shall be serviced by a trustee and a secretariat. Selection of the trustee and the permanent secretariat shall be made at the seventeenth session of the Conference of the Parties on the basis of criteria to be determined at the sixteenth session of the Conference of the Parties. The [XX] is invited to be the interim secretariat.

*Note from the Chair: Parties may wish to consider the steps that need to be taken in order to ensure the expeditious implementation of the new fund.*

14. In order to improve coherence, coordination, efficiency and effectiveness among operating entities and other delivery channels, the new fund may establish a forum of entities that provide financial support. This forum would serve as a platform to encourage operating entities and other delivery channels to increase the flow and exchange of information, to avoid duplication of efforts and to harmonize application, measurement and reporting procedures.

15.

Option 1 to the chapeau:

A new body of the financial mechanism shall be established under the guidance of and be accountable to the Conference of the Parties in order to perform, inter alia, the following functions:

Option 2 to the chapeau:

Existing institutions shall be strengthened in order to perform, inter alia, the following functions:

- (a) Provide guidance to, and ensure accountability to the Conference of the Parties of, all operating entities of the financial mechanism;
- (b) Improve coherence, coordination, efficiency and effectiveness by encouraging all operating entities and other delivery channels to avoid duplication of efforts and to harmonize application, measurement and reporting procedures;
- (c) Assess the needs for international finance to support activities to address climate change and study the contribution of the potential sources of revenue, including alternative sources of finance, towards meeting these needs;
- (d) Recommend a balanced allocation of funding across thematic areas of the operating entities of the financial mechanism based on the information provided by all operating entities.
- (e) Recommend to operating entities modalities that provide simplified, improved, effective and equitable access to financial resources in a timely manner, including direct access;
- (f) Recommend modalities to measure, report and verify the support provided to developing country Parties for enhanced action in developing countries;

*Note from the Chair: if option 1 is pursued, the following paragraphs 15 bis–15 quat below should be considered:*

15 bis. The new body shall have a transparent system of governance in accordance with Article 11, paragraph 2, of the Convention.

15 ter. The new body shall consist of [x] members nominated by the Conference of the Parties at its seventeenth session on the basis of criteria to be determined at the sixteenth session of the Conference of the Parties, with an equitable and balanced representation of all Parties

15 quat. The new body shall be serviced by a secretariat.

16. Parties agree to revise the institutional arrangements between the financial mechanism of the Convention and the Global Environment Facility to ensure a more effective response to the needs of developing country Parties.

*Note from the Chair: further consideration of a mechanism to record nationally appropriate mitigation actions and facilitate provision of recording and support would be required in order to complete this chapter.*

## Chapter IV

### Enhanced action on technology development and transfer

*Note from the Chair:* The paragraphs below contain further provisions on enhanced action on technology development and transfer referred to in paragraph 65 of chapter I.

*The Conference of the Parties,*

*Recalling* the commitments under the Convention, in particular Article 4, paragraphs 1, 3, 5, 7, 8 and 9,

*Confirming* the importance of promoting and enhancing national and international cooperative action on the development and transfer of environmentally sound technologies to developing country Parties to support action on mitigation and adaptation now, up to and beyond 2012, in order to achieve the ultimate objective of the Convention,

*Recognizing* that climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all Parties,

*Also recognizing* that early and rapid reduction in emissions, and the urgent need to adapt to the adverse impacts of climate change, requires large-scale diffusion and transfer of, or access to, environmentally sound technologies,

*Stressing* the need for effective mechanisms, enhanced means, appropriate enabling environments and the removal of obstacles to the scaling up of the development and transfer of technologies to developing country Parties,

#### Objective

1. *Decides* that the objective of enhanced action on technology development and transfer is to support action on mitigation and adaptation in order to achieve the full implementation of the Convention;
2. *Also decides* that, in pursuit of this objective, the identification of technology needs must be nationally determined, based on national circumstances and priorities;
3. *Agrees* to accelerate action consistent with international obligations, at different stages of the technology cycle, including research and development, demonstration, deployment, diffusion and transfer of technology (hereinafter in this decision referred to as 'technology development and transfer') in support of action on mitigation and adaptation;

#### Activities and/or outcomes of activities to be supported

4. *Decides* that, pursuant to paragraph 7 (c) below, activities and/or outcomes of activities eligible for technological, financial and capacity-building support, including relevant actions referred to in paragraphs 12–13 below, shall be determined by country-driven processes based on national circumstances and priorities, with a view to ensuring overall efficiency and effectiveness in meeting such outcomes, and may include, but not be limited to, those that achieve:

(a) Development and enhancement of endogenous capacities and technologies of developing country Parties, including cooperative research, development and demonstration programmes;

(b) Deployment and diffusion of environmentally sound technologies and know-how to developing country Parties;

- (c) Increased public and private investment in technology development, deployment, diffusion and transfer;
- (d) Deployment of soft and hard technologies for implementation of adaptation and mitigation actions;
- (e) Improved climate change observation systems and related information management;
- (f) [Purchasing of licences and other intellectual property rights issues;]
- (g) Strengthening of national systems of innovation and technology innovation centres;
- (h) Development and implementation of national technology plans for mitigation and adaptation;

#### Technology Mechanism

*Note from the Chair:* The options presented in paragraph 5 below regarding the legal nature of the agreement will need to be revised once the legal nature of the outcome to be presented to the COP at its sixteenth session has been determined.

5. *Decides* that a Technology Mechanism [is hereby defined as part of the legally binding agreement] [is hereby established [under the authority and guidance of, and accountable to, the Conference of the Parties]], and will consist of the following components:

- (a) A Technology Executive Committee, as described in paragraph 7 below;
- (b) A Climate Technology Centre and Network, as described in paragraph 11 below;

6. *Also decides* that the implementation of the Technology Mechanism and other activities as determined by the Conference of the Parties shall take into account activities and/or outcomes of activities eligible for support as described in paragraph 4 above and shall be funded by the financial arrangement, including the provision of new and additional financial resources to meet the agreed full incremental costs, in accordance with Article 4, paragraph 3, of the Convention;

#### Technology Executive Committee

7. *Decides* that the Technology Executive Committee is hereby defined and shall have the following functions:

- (a) Provide a global overview of technological needs and analysis of policy and technical issues related to the development and transfer of technology for mitigation and adaptation to the Conference of the Parties and its subsidiary bodies;
- (b) Consider and recommend, as appropriate, actions to promote technology development and transfer to accelerate action on mitigation and adaptation;
- (c) Prepare guidance for adoption by the Conference of the Parties on policies, programme priorities and eligibility criteria related to technology development and transfer [with special consideration given to least developed Parties];
- (d) Promote collaboration on the development and transfer of technology for climate mitigation and adaptation between governments, industry, non-profit organizations, and academic and research communities;
- (e) Provide periodic reports on the progress of its work to the Conference of the Parties [through the Subsidiary Body for Scientific and Technological Advice] and,

upon request, advice to the subsidiary bodies established under the Convention on matters related to efforts to accelerate action on technology development and transfer;

(f) [Recommend and support necessary actions to address and remove the barriers to technology development and transfer [identified by developing country Parties], in order to enable enhanced action on mitigation and adaptation;]

(g) Provide guidance to the Climate Technology Centre and Network with a view to aligning the activities of the Climate Technology Centre and Network with country-driven actions;

(h) [Address issues related to intellectual property rights as they arise;]

(i) Catalyse the development and use of technology road maps or action plans at international, regional and national levels through cooperation between relevant stakeholders, particularly governments and relevant organizations or bodies, including the development of best practice and guidelines, as facilitative tools for action on mitigation and adaptation;

*Note from the Chair:* In relation to paragraph 7 (a) (b) (d) and (f), above, Parties may wish to consider the potential link between the proposed Technology Executive Committee and the proposed functions for the institutional arrangements for adaptation described in option 1, paragraph 7 (d) and (e) of Annex II.

In relation to paragraph 7 (a), above, Parties may wish to consider the potential link between the proposed Technology Executive Committee and the proposed mechanism to record nationally appropriate mitigation actions and facilitate provision and recording of support as described in paragraphs 31–33 and 49–50 of Annex V.

8. [To be elaborated: mandate and composition of the Technology Executive Committee.]

9. Decides that the mandate of the Expert Group on Technology Transfer, established by decision 4/CP.7 and reconstituted by decision 3/CP.13, will end at the conclusion of the seventeenth session of the Conference of the Parties, by which time the Expert Group on Technology Transfer will have completed its pending activities and delivered its final report to the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation for consideration at their thirty-third sessions, after which time the Technology Executive Committee will be responsible for the further implementation of the framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5 (technology transfer framework) adopted by decision 4/CP.7 and enhanced by decision 3/CP.13;

*Note from the Chair:* Resolution of the issues presented in paragraph 10 below depends on the resolution of interdependent issues related to enhanced action on the provision of financial resources and investment.

10. Further decides that the Technology Executive Committee shall provide technical and policy advice and make recommendations to the financial arrangement on matters related to activities and/or outcomes of activities eligible for support, as referred to in paragraph 4 above;

#### Climate Technology Centre and Network

11. Decides that the Climate Technology Centre, supported by its regional units and by the climate technology network, will:

(a) At the request of a developing country Party:

- (i) Provide advice and support related to the identification of technology needs and the implementation of environmentally sound technologies, practices and processes;
- (ii) Provide information, training and support for workforce development programmes to build or strengthen developing country capacity to identify technology options, make technology choices and operate, maintain and adapt technologies;
- (iii) Facilitate prompt action on the deployment of existing technologies in developing country Parties based on the identified needs;
- (b) Stimulate and encourage, through collaboration with the private sector, public institutions, academia and research institutions, the development and transfer of existing and emerging environmentally sound technologies, as well as opportunities for North–South, South–South and triangular technology cooperation;
- (c) Develop and customize analytical tools, policies and best practices for country-driven planning to support the dissemination of environmentally sound technologies;
- (d) Establish and facilitate a Climate Technology Network with a view to:
  - (i) Enhancing cooperation with national, regional and international technology centres and relevant national institutions;
  - (ii) Facilitating international partnerships among public and private stakeholders to accelerate the innovation and diffusion of environmentally sound technologies to developing country Parties;
  - (iii) Providing, on request by a developing country Party, in-country technical assistance and training to support identified technology actions in developing country Parties;
  - (iv) Stimulating the establishment of twinning centre arrangements to promote North–South, South–South, and triangular partnerships with a view to encouraging cooperative research and development;
  - (v) Performing other such activities as may be necessary to carry out its functions;
- (e)

Option 1:

Provide periodic reports on the progress of its work to the Conference of the Parties through the [Subsidiary Body for Scientific and Technological Advice];

Option 2:

Provide periodic updates on the status and progress of its work, including that of the Climate Technology Network, to the Conference of the Parties through the [Subsidiary Body for Scientific and Technological Advice][Technology Executive Committee], with a view to determining any required action resulting from the updates;]

*Note from Chair: In relation to paragraph 11 above, Parties may wish to consider the potential link between the proposed Climate Technology Centre and Network and the proposed international, regional and national adaptation centres as described in paragraphs 9 and 10 of Annex II, and other potential links with proposed institutional arrangements, as appropriate.*

12. *[To be elaborated: mandate and composition of the Climate Technology Centre and Network.]*

Intellectual Property Rights

13.

Option 1:

*No reference to Intellectual Property Rights in the text*

Option 2:

*Decides that*

Any international agreement on intellectual property shall not be interpreted or implemented in a manner that limits or prevents any Party from taking any measures to address adaptation or mitigation of climate change, in particular the development and enhancement of endogenous capacities and technologies of developing countries and transfer of, and access to, environmentally sound technologies and know-how;

Specific and urgent measures shall be taken and mechanisms developed to remove barriers to the development and transfer of technologies arising from intellectual property rights protection, in particular:

- (a) Creation of a Global Technology Intellectual Property Rights Pool for Climate Change that promotes and ensures access to intellectual property protected technologies and the associated know-how to developing countries on non-exclusive royalty-free terms;
- (b) Take steps to ensure sharing of publicly funded technologies and related know-how, including by making the technologies and know-how available in the public domain in a manner that promotes transfer of and/or access to environmentally sound technology and know-how to developing countries on royalty-free terms;

Parties shall take all necessary steps in all relevant forums to exclude from Intellectual Property Rights protection, and revoke any such existing intellectual property right protection in developing countries and least developed countries on environmentally sound technologies to adapt to and mitigate climate change, including those developed through funding by governments or international agencies and those involving use of genetic resources that are used for adaptation and mitigation of climate change;

Developing countries have the right to make use of the full flexibilities contained in the Trade Related Aspects of Intellectual Property Rights agreement, including compulsory licensing;

The Technology Executive Committee shall recommend to the Conference of the Parties international actions to support the removal of barriers to technology development and transfer, including those arising from intellectual property rights.];

Cooperative action on technology

14. *Encourages* Parties, in the context of Article 4, paragraphs 1(c) and 5, of the Convention and consistent with their respective capabilities and national circumstances and priorities, to undertake domestic actions identified through country-driven approaches that:

- (a) Promote the establishment and/or strengthening of national systems of innovation, including, as appropriate, national technology innovation centres;
- (b) Promote public- and private-sector partnerships;

- (c) Create the enabling environments to facilitate enhanced action on technology transfer and mobilize private-sector investment;
- (d) Develop and strengthen relevant institutional, technical and human capacity, including the capacity to absorb, adapt and adopt appropriate and applicable environmentally sound technologies;
- (e) Increase private and public [energy-related] research, development and demonstration compared with current levels, working towards at least a doubling of global [energy-related] research, development and demonstration by [2012][2015] and increasing it to four times its current level [by 2020][thereafter][, with a significant shift in emphasis towards safe and sustainable low greenhouse gas emitting technologies, especially renewable energy];

15. *Also encourages* Parties, in the context of Article 4, paragraphs 1(c) and 5, of the Convention and consistent with their respective capabilities and national circumstances and priorities, to engage in bilateral and multilateral cooperative activities on technology development and transfer in order to, inter alia:

- (a) Promote collaborative action through North–South, South–South and triangular technology partnerships, including through regional and international technology centres and networks;
- (b) Promote the establishment of cooperative partnership arrangements with relevant international organizations, the public- and private-sectors, academia and the research community;
- (c) Enhance the development and dissemination of best practices;
- (d) Support national and regional capacity-building;

Issues for further consideration

16. *Agrees* to continue to deliberate upon the modalities for the operation of the Technology Executive Committee and the Climate Technology Centre and Network, referred to in paragraphs 7 and 10 above, and conclude these deliberations with a view to the Conference of the Parties making a decision on these matters at its seventeenth session;

17. *Underlines* the importance of continued dialogue among Parties on the issues deliberated upon [including, inter alia, ways to address specific barriers identified through country-driven processes, technologies for adaptation, modalities for technology action plans and road maps, incentives for technology development and transfer, and the research and development objective of the Technology Mechanism, with a view to concluding its consideration on these matters at its subsequent session]

## Chapter V

### Enhanced action on capacity-building

*Note from the Chair:* The paragraphs below contain further provisions on enhanced action on capacity-building referred to in paragraph 67 of chapter I.

*The Conference of the Parties,*

[*Reaffirming* that capacity-building for developing countries is essential to enable developing country Parties to participate fully in, and to implement effectively their commitments under, the Convention,

*Recognizing* that capacity-building activities are related to all aspects of the Convention, including research and systematic observation and education, training and public awareness,

*Being especially guided* by Article 4, paragraphs 1, 3, 4, 5, 7 and 8 of the Convention, in the context of its Articles 3, 5 and 6,

*Recalling* the provisions related to capacity-building for developing countries contained in relevant decisions adopted by the Conference of the Parties,

*Also recalling* the specific relevance of decision 2/CP.7, which contains in its annex the framework for capacity-building in developing countries,

[*Taking into account* that while the scope of capacity-building and correlated needs, as contained in the annex to decision 2/CP.7, and the key factors identified in decision 2/CP.10 remain valid, there are emerging capacity needs arising from an agreed outcome at Copenhagen,]

*Further recalling* the paragraphs on capacity-building of Agenda 21 and the Programme for the Further Implementation of Agenda 21,

*Being deeply concerned* about the substantial gap between the capacity-building required for developing country Parties to fully contribute to the implementation of the Convention and the resources currently available to meet that need,

*Recalling* the Bali Action Plan (decision 1/CP.13),

*Acknowledging* that capacity-building is cross-cutting in nature and is fundamental to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012,

*Recognizing* that an agreed outcome resulting from the process launched by the Bali Action Plan will require enhanced action on capacity-building,

*Emphasizing* the need for a stand-alone section on enhanced action on capacity-building,

*Reaffirming* that capacity-building should be a continuous, progressive and iterative process that is participatory, country-driven and consistent with national priorities and circumstances, and is an integral part of enhanced action on mitigation, adaptation, technology development and transfer and access to financial resources,]

1. *Agrees* that the objective of enhanced action on capacity-building is to build, develop, strengthen, improve and enhance the capacities and capabilities of developing country Parties to contribute to the achievement of the full, effective and sustained implementation of the Convention;

2. *Agrees* that enhanced action on capacity-building shall be guided by the provisions of the Convention and relevant decisions of the Conference of the Parties;
3. *Decides* that capacity-building actions should be enhanced:
  - (a) To enable the full implementation of all aspects of the Convention, in particular decision 2/CP.7;
  - (b) To develop and/or strengthen the capacity of developing country Parties in areas identified [in the agreed outcome of the building blocks of the Bali Action Plan (decision 1/CP.13)] [under the agreed outcome for the enhanced implementation of the Convention], including strengthening subnational, national or regional capacities, skills, capabilities and institutions [as appropriate] to address emerging capacity-building needs;

4.

Option 1:

*Also decides* that international cooperation [and financial support from developed country Parties] should be enhanced to strengthen the capacity of developing country Parties through, inter alia:

Option 2:

[*Also decides* that action on capacity-building should be enhanced in order to strengthen, as appropriate, subnational, national or regional capacities, skills, capabilities and institutions as appropriate, in order to address emerging capacity-building needs in the areas of adaptation, mitigation and technology development and transfer, as outlined [under the agreed outcome of the building blocks of the Bali Action Plan] [under the agreed outcome for the enhanced implementation of the Convention] through, inter alia:]

- (a) Empowering and strengthening relevant institutions at various levels, including focal points and national coordinating bodies and organizations;
- (b) Strengthening endogenous capacities, skills and capabilities;
- (c) Developing and/or strengthening national and/or regional networks for the generation, sharing and management of information and knowledge, including local and indigenous knowledge, experiences and best practices of developing countries, through, inter alia, South–South and triangular cooperation;
- (d) Enhancing capacity for climate change related research; systematic observation; data collection and utilization; knowledge management and decision-making, including for vulnerability and adaptation assessments; early warning systems; risk management; and modelling, including socio-economic modelling for adaptation and mitigation, and downscaling;
- (e) Strengthening climate change communication, education, training and public awareness at all levels, including at the local and community levels, taking into account gender issues;
- (f) Encouraging and strengthening participatory and integrated approaches, including the participation of various stakeholders, including [women and] youth, taking climate change considerations into account, to the extent feasible, in relevant social, economic and environmental policies and actions;
- (g) Enhancing the capacity to plan, prepare and implement climate change action;

- (h) Enhancing the capacity to monitor and report on climate change action, including for the process of, and the preparation of, national communications;
- (i) Developing and/or strengthening institutional capacity for economic diversification;
- (j) Supporting the capacity-building needs identified for [mitigation, adaptation and technology development and transfer] [under the agreed outcome of the building blocks of the Bali Action Plan] [under the agreed outcome for the enhanced implementation of the Convention;]
- (k) Supporting any other capacity-building needs in the course of the full, effective, and sustained implementation of the Convention;

5.

Option 1:

[Further decides to establish a technical panel on capacity-building with the following objectives:

- (a) To organize, coordinate, monitor, evaluate and retrofit the implementation of capacity-building activities in support of adaptation and mitigation and the corresponding financing and technology development and transfer in developing countries;
- (b) To propose and implement mechanisms for sharing lessons learned, promoting South–South and triangular cooperation and disseminating information on successful capacity-building activities in developing countries;
- (c) To provide information on and make assessments of the fulfilment by developed country Parties of commitments to provide capacity-building support;]

Option 2:

[Agrees that relevant institutional arrangements that are existing or established [under the agreed outcome of the building blocks of the Bali Action Plan] [under the agreed outcome for the enhanced implementation of the Convention], including any expert groups, technical panels or bodies, should consider integrating capacity-building in their mandates as appropriate;]

*Note from the Chair:* Resolution of the issues presented in paragraph 6 below depends on the resolution of interdependent issues related to enhanced action on the provision of financial resources and investment.

6.

Option 1:

[Decides that financial resources for enhanced action on capacity-building in developing country Parties and for the operation of the technical panel on capacity-building shall be provided through [a multilateral fund for capacity-building] [a new financial mechanism to support mitigation, adaptation, technology development and transfer and capacity-building action] established by [XX]]

Option 2:

[Decides that [financial and other support provided by Parties included in Annex II to the Convention] [support] [support including provision of financial resources [provided by Parties included in Annex II to the Convention]] for enhanced action on capacity-building in developing countries, including those capacity-building activities identified in relevant decisions [under the agreed outcome of the building blocks of the Bali Action

Plan] [under the agreed outcome for the enhanced implementation of the Convention] should be [delivered through various multilateral and bilateral channels including] [[made available] through the operating entity(ies) of the financial mechanism of the Convention and through various multilateral and bilateral channels, in accordance with [provisions for enhanced action on the provision of financial resources and investment decision][relevant decisions];]

7.

Option 1:

[Decides that support for capacity-building activities shall be measured through the use of agreed and effective performance indicators [and in units to be established as part of the review of the implementation of the framework for capacity-building in developing countries], in order to ensure that the resources provided by developed country Parties are benefiting developing countries within the context of the agreed activities identified and undertaken through a bottom-up, country-driven process;]

Option 2:

[Invites Parties to report through national communications on progress made in enhancing capacity to address climate change and on the support provided or received, in order to facilitate the monitoring and review of commitments under an agreed outcome at Copenhagen;]

Option 3:

[Invites Parties to regularly report on enhanced capacity-building using existing mechanisms, including national communications and submissions to the secretariat and others as agreed, in order to facilitate the monitoring and reporting of progress on capacity-building under an agreed outcome at Copenhagen;]

8. [Decides that provision of capacity-building support to developing country Parties, along with the delivery of financial support and technology development and transfer, shall be a legally binding obligation of developed country Parties included in Annex II to the Convention, with consequences for non-compliance.]

## Chapter VI

### **Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries**

*Note from the Chair: the paragraphs below contain further provisions on: policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries referred to in paragraphs 52–53 of chapter I.*

*The Conference of the Parties,*

*Recalling* decisions 1/CP.13, 2/CP.13 and 4/CP.15,

*[Affirming (... for any quantitative goal to be inserted or moved elsewhere)]*

*Encourages* all Parties to find effective ways to reduce the pressure on forests that results in greenhouse gas emissions,

1. Affirms that the implementation of activities referred to in paragraph 3 below:
  - (a) Contribute to the objective set out in Article 2 of the Convention;
  - (b) [Contribute to the commitments set out in Article 4, paragraph 3, of the Convention;]
  - (c) Be country-driven and [voluntary][proposed voluntarily];
  - (d) Be undertaken in accordance with national circumstances and capabilities of the country and respect sovereignty;
  - (e) Be consistent with national sustainable development needs and goals;
  - (f) Facilitate sustainable development, reduce poverty and respond to climate change in developing country Parties;
  - (g) Promote broad country participation;
  - (h) Be consistent with the adaptation needs of the country;
  - (i) Be [integrated into nationally appropriate mitigation actions] [developed within the context of a low greenhouse gas emission strategy];
  - (j) Be subject to [equitable, adequate, predictable and sustainable] financing and technology support, including support for capacity-building;
  - (k) Be results-based;
  - (l) Promote sustainable management of forests;
2. *Further affirms* that when undertaking activities referred to in paragraph 3 below, the following safeguards should be promoted and supported:
  - (a) Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
  - (b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;

- (c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- (d) Full and effective participation of relevant stakeholders, including, in particular, indigenous peoples and local communities in actions referred to in paragraphs 3 and 5 below;
- (e) Actions that are consistent with the conservation of natural forests and biological diversity, ensuring that actions referred to in paragraph 3 below are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;<sup>1</sup>
- (f) Actions to address the risks of reversals;
- (g) Actions to reduce displacement of emissions;
3. *Decides* that developing country Parties should contribute to mitigation actions in the forest sector by undertaking the following activities:
- (a) Reducing emissions from deforestation;
- (b) Reducing emissions from forest degradation;
- (c) Conservation of forest carbon stocks;
- (d) Sustainable management of forest;
- (e) Enhancement of forest carbon stocks;
4. *Requests* the Subsidiary Body for Scientific and Technological Advice to undertake a work programme to identify land use, land-use change and forestry activities in developing countries, in particular those that are linked to the drivers of deforestation and forest degradation, to identify the associated methodological issues to estimate emissions and removals resulting from these activities, and to assess their potential contribution to the mitigation of climate change and report on the findings to the Conference of the Parties at its [xx] session;
5. *Also requests* that a developing country Party aiming to undertake activities referred to in paragraph 3 above, [provided that support is made available,] in accordance with national circumstances and respective capabilities, develop:
- (a) A national strategy or action plan [and, if appropriate, a subnational strategy][,as part of their low-carbon emission strategies and in accordance with provisions for enhanced action on mitigation];
- (b) [A national forest reference emission level and/or forest reference level, or if appropriate, subnational forest reference emission level[s] and/or forest reference level[s], taking into account decision 4/CP.15 and any further elaboration of those provisions agreed by the Conference of the Parties;]
- (c) [A robust and transparent national forest monitoring system for the monitoring and reporting of the activities referred to in paragraph 3 above[, and the safeguards referred to in paragraph 2 above], with, as appropriate, subnational

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<sup>1</sup> [Taking into account the need for sustainable livelihoods of indigenous peoples and local communities and their interdependence on forests in most countries, reflected in the United Nations Declaration on the Rights of Indigenous Peoples and the International Mother Earth Day.]

monitoring and reporting as an optional interim measure,<sup>2</sup> in accordance with the provisions contained in decision 4/CP.15 and any further elaboration of those provisions agreed by the Conference of the Parties;]

6. *Further requests* the Subsidiary Body for Scientific and Technological Advice, at its [xx] session, to develop modalities relating to paragraph 5 (b) and (c) above, for adoption by the Conference of the Parties at its [xx] session.

7. *Requests* developing country Parties, when developing and implementing their national strategies or action plan, [or subnational strategies] to address, inter alia, drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 above, ensuring the full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities;

8. *Decides* that the activities undertaken by Parties referred to in paragraph 3 above be implemented in phases, beginning with the development of national strategies or action plans, policies and measures and capacity-building, followed by the implementation of national policies and measures, and national strategies or action plans and, as appropriate, subnational strategies, that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions [that shall be fully measured, reported and verified];

9. *Recognizes* that the implementation of the activities referred to in paragraph 8 above, including the choice of a starting phase, depends on the specific national circumstances, capacities and capabilities of each developing country Party and the level of support received;

10. *Requests* the Subsidiary Body for Scientific and Technological Advice, at its [xx] session, to develop, as necessary, modalities for [measuring, reporting and verifying] anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, forest carbon stocks and forest area changes resulting from the implementation of activities referred to in paragraph 3 above[, and consistent with any guidance for measuring, reporting and verification of nationally appropriate mitigation actions by developing country Parties agreed by the Conference of the Parties], taking into account methodological guidance in accordance with decision 4/CP.15, for adoption by the Conference of the Parties at its [xx] session;

11. [*Requests* the Subsidiary Body for Scientific and Technological Advice to develop, at its [xx] session, modalities for measuring, reporting and verifying the support provided by developed country Parties to support the implementation of safeguards and actions referred to in paragraphs 2 and 3 above;]

12. [*Requests* that the promotion and implementation of all activities referred to in paragraphs 3, 5, 7 and 8 above, including consideration of the safeguards referred to in paragraph 2 above, and early action, be supported in accordance with [paragraph 1 (b) above and] relevant provisions agreed by the Conference of the Parties including:

(a) [Provisions for enhanced action on the provision of financial resources and investment];

(b) [Provisions for various approaches, including opportunities for using market, to enhance the cost-effectiveness of, and to promote, mitigation actions] [for result-based actions a flexible combination of funds and market-based sources subject to modalities to be agreed by the Conference of the Parties at its [xx] session];

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<sup>2</sup> Including monitoring and reporting of emissions displacement at the national level.

(c) [through existing bilateral and multilateral channels;]]

13. *Requests* Parties, [relevant international organizations and stakeholders] to ensure coordination of the activities referred to in paragraph 12 above, including of the related support, particularly at the country level;

14. *Requests* the [Subsidiary Body for Scientific and Technological Advice] to develop modalities for the promotion and implementation of the development of national strategies or action plans, policies and measures and capacity-building, the implementation of national policies and measures, and national strategies or action plans and, as appropriate, subnational strategies, that could involve further capacity-building, technology transfer and results-based demonstration activities, by its [xx] session, for adoption by the Conference of the Parties at its [xx] session.

## Chapter VII

### **Economic and social consequences of response measures**

*Note from the Chair:* the paragraphs below contain further provisions on the economic and social consequences of response measures referred to in paragraph 59 of chapter I.

*The Conference of the Parties,*

*Reaffirming* the importance of the objective of the Convention, and the relevant principles and provisions of the Convention related to economic and social consequences of response measures, in particular its Articles 2, 3 and 4,

*Recognizing* that the implementation of response measures to mitigate climate change taken by a Party may result in negative economic and social consequences for other Parties, and the need to take into consideration in the implementation of the commitments of the Convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse effects of the implementation of measures to respond to climate change,

*Affirming* that economic development is essential for adopting measures to address climate change,

*Affirming* that responses to climate change should be coordinated with social and economic development in an integrated manner, with a view to avoiding adverse impacts on the latter, taking fully into account the legitimate priority needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty, and the consequences for vulnerable groups, in particular women and children,

[*Recognizing* that the efforts to avoid or minimize the negative impact of response measures should not constrain or hinder progress in addressing climate change.]

*Recognizing* the importance of avoiding and minimizing negative impacts of response measures on social and economic sectors, promoting a just transition of the workforce, the creation of decent work and quality jobs, and contributing to building new capacities for both production and service-related jobs in all sectors, promoting economic growth and sustainable development,

[*Emphasizing* that the issue of the impacts of response measures is related to mitigation, and is separate from adaptation to the adverse effects of climate change.]

[*Noting* the need for developed country Parties to compensate the economies of Africa, least developed countries and small island developing States for environmental, social and economic losses arising from the implementation of climate change response measures in the context of environmental justice and environmental refugees.]

1.

*Option 1:*

*Urges* developed country Parties to strive to implement policies and measures to respond to climate change in such a way as to avoid and minimize negative social and economic consequences for developing country Parties, taking fully into account Article 3 of the Convention;

*Also urges* developed country Parties, in order to assist developing country Parties in addressing negative social and economic consequences, to provide financial resources, including for access to and development and transfer of technology, at agreed full

incremental costs in accordance with Article 4, paragraphs 3, 5 and 7, of the Convention, and promote and facilitate the transfer of and access to environmentally sound technologies and know-how to other Parties, particularly developing country Parties, to enable them to implement the provisions of the Convention;

Option 2:

*Urges* Parties, in the implementation of measures to mitigate climate change, to take into consideration the economic and social impacts of response measures;

2.

Option 1:

*Agrees* that developed country Parties shall not resort to any form of unilateral measures, including fiscal and non-fiscal border trade measures against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance, recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3 and 7;

Option 2:

*Urges* Parties to take into account the principles of the Convention including its Article 3, paragraph 5, in relation to the economic and social consequences of response measures;

Option 3:

*Agrees* that Parties, in the pursuit of the objective and implementation of the Convention, shall not resort to any measures, in particular unilateral fiscal or non-fiscal measures applied at the border against goods and services imported from Parties, that constitute a means of arbitrary or unjustified discrimination or a disguised restriction on international trade, taking into account the relevant provisions of the Convention and further recognizing the principle enshrined in Article 3, paragraph 5;

*Agrees* that information relating to response measures should be considered in a structured manner in order to enhance the implementation of Article 4, paragraph 1(g) and (h), of the Convention, recognizing the needs of developing country Parties identified in Article 4, paragraphs 8, 9 and 10;

3.

Option 1:

*Decides* to establish a forum to undertake activities including identifying and addressing negative economic and social consequences of response measures of developed country Parties, sharing information, promoting and cooperating on issues relating to response strategies and exploring ways to minimize negative consequences, in particular in developing country Parties;

*Invites* Parties and relevant intergovernmental organizations to submit to the secretariat, by [xx], their views on issues related to paragraph [xx] below for consideration by Parties by [xx] before the seventeenth session of the Conference of the Parties;

*Requests* the secretariat to compile these submissions into a miscellaneous document for consideration at [xx];

*Agrees* to adopt, at the seventeenth session of the Conference of the Parties, modalities for the operationalization of the forum, defining its mandate, nature, scope,

composition, functions, related support, reporting and evaluation, and any other related matters;

Option 2:

*Decides* that Parties should cooperate fully to enhance understanding of economic and social consequences of response measures, taking into account the need for information from those affected, and evidence of actual impacts, and of both positive and negative effects, and further decides to consider how existing channels, such as national communications, including the possible submission of supplementary information, as considered by the Subsidiary Body for Implementation, could serve as a platform for discussions on the information provided by Parties.

## Chapter VIII

### **Various approaches, including opportunities for using markets, to enhance the cost effectiveness of, and to promote, mitigation actions**

*[The Conference of the Parties,*

*Recognizing* the need to ensure the availability of a range of measures at the international level to enhance the cost-effectiveness of, and to promote, mitigation actions;

*Mindful of* the need to balance measures to enhance the cost-effectiveness of mitigation actions with the overall ambition of Parties in mitigating climate change;

1. *Decides* that the development and use of measures at the international level, including market instruments, to enhance the cost-effectiveness of, and to promote, mitigation actions shall be guided by the following principles:

- (a) The participation of Parties in such measures shall be on a voluntary basis, supported by the promotion of fair and equitable access for all Parties;
- (b) Such measures shall lead to a net reduction in global greenhouse gas emissions;
- (c) Such measures shall provide incentives to developing countries, especially those with low emitting economies, to develop on low-emission pathways;
- (d) Such measures shall provide lasting contributions to the sustainable development of developing country Parties, including through technology transfer, capacity-building and other co-benefits, and take into account the needs of local communities, including indigenous populations;
- (e) Such measures shall promote the internalization of the costs of climate change in economic decision-making and harness private-sector finance and investment to complement the significant scaling up of support for mitigation actions provided by developed country Parties from public sources;
- (f) The environmental integrity of such measures shall be safeguarded by ensuring that emission reductions and removals are additional to any that would otherwise occur, are subject to robust measurement, reporting and verification, and are free of double-counting;
- (g) Such measures shall be implemented in an expedient and efficient manner;
- (h) Parties shall be accountable to the Conference of the Parties for mitigation actions undertaken under their authority through such measures;
- (i) The use by developed country Parties of such measures shall be supplemental to their domestic mitigation efforts;

2. *Undertakes* to maintain and build upon existing measures, including the market instruments under the Kyoto Protocol, in developing and implementing further measures at the international level to enhance the cost-effectiveness of, and to promote, mitigation actions;

3. *Decides* to establish an international framework to promote the implementation of mitigation actions jointly among Parties and channel scaled-up levels of finance and investment, in particular from the private sector, in a manner that:

- (a) Provides incentives for developing country Parties to engage in expanded mitigation actions in the context of their sustainable development;
  - (b) Addresses mitigation actions across broad segments of the economy;
  - (c) Assists developed country Parties in fulfilling their mitigation commitments;
  - (d) Makes available upfront financing to engage in expanded mitigation actions;
  - (e) Incorporates means to make use of public finance to leverage private sector finance;
4. *Decides* to establish measures at the international level that promote cost-effective mitigation by reducing the costs of mitigation and enabling the scaling up of mitigation actions in a manner that:
- (a) Strengthens cooperative action among Parties on the research, development, including transfer, of technologies, practices and processes that reduce emissions by sources and/or enhance removals by sinks;
  - (b) Promotes near-term mitigation that complements measures to mitigate climate change over the medium and long-term;
5. *Requests* the Subsidiary Body for Scientific and Technological Advice, taking into account the principles contained in paragraph 1 above, to recommend modalities and procedures for the measures referred to in paragraphs 3 and 4 above, with a view to forwarding draft decisions on these matters to the Conference of the Parties for adoption at its seventeenth session;
6. *Invites* Parties and accredited UNFCCC observers to submit to the secretariat, by [X] 2011, their views on the modalities and procedures referred to in paragraph 5 above;]
7. [*Decides* that Parties may use units from any instrument established pursuant to the Convention, or a protocol or agreement thereof, and from measures provided for under their respective laws and policies, to assist them in meeting their mitigation commitments under the Convention;]
8. [*Urges* Parties, without prejudice to the scope of the Convention and its related instruments, to pursue, under the Montreal Protocol on Substances that Deplete the Ozone Layer, the adoption of appropriate measures to progressively reduce the production and consumption of hydrofluorocarbons.]]

## Chapter IX

### Cooperative sectoral approaches and sector-specific actions in agriculture

*Note from the Chair:* the paragraphs below contain further provisions on cooperative sectoral approaches and sector-specific action to enhance the implementation of Article 4, paragraph 1(c), of the Convention in the agricultural sector referred to in paragraph 57 of chapter I.

*[The Conference of the Parties,*

*Reaffirming* the objective, principles and provisions of the Convention, in particular its Article 2, Article 3, paragraphs 1 and 5, and Article 4, paragraph 1 (c),

*Bearing in mind* the need to improve the efficiency and productivity of agricultural production systems in a sustainable manner,

*Recognizing* the interests of small and marginal farmers, the rights of indigenous peoples and traditional knowledge and practices, in the context of applicable international obligations and taking into account national laws and national circumstances,

*Recognizing* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should take into account the relationship between agriculture and food security, the link between adaptation and mitigation and the need to safeguard that these approaches and actions do not adversely affect food security,

*[Affirming* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade,]

1. *Decides* that all Parties, with respect to the agriculture sector and taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, should promote and cooperate in the research, development, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases, particularly those that improve the efficiency and productivity of agricultural systems in a sustainable manner and those that could support adaptation to the adverse effects of climate change, thereby contributing to safeguarding food security and livelihoods;
2. *[[Affirms][Further decides]* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade[, in accordance with Article 3, paragraph 5 of the Convention];]
3. *Requests* the Subsidiary Body for Scientific and Technological Advice to establish, at its thirty-fourth session, a programme of work on agriculture to enhance the implementation of Article 4, paragraph 1(c), of the Convention, taking into account paragraph 1 above;
4. *Invites* Parties to submit to the secretariat, by 22 March 2011, their views on the content and scope of the work programme;
5. *Requests* the secretariat to compile these views into a miscellaneous document for consideration by the Subsidiary Body for Scientific and Technological Advice at its thirty-fourth session.]