



United Nations

ADVANCE VERSION

FCCC/AWGLCA/2010/14



**Framework Convention on
Climate Change**

Distr.: General
13 August 2010

Original: English

**Ad Hoc Working Group on Long-term Cooperative Action
under the Convention**

Twelfth session

Tianjin, 4–9 October 2010

Item X of the provisional agenda

Negotiating text

Note by the secretariat

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Introduction

At its eleventh session, the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) established drafting groups on a shared vision for long-term cooperative action; enhanced action on adaptation; enhanced action on mitigation; and finance, technology and capacity-building, to undertake work on the Chair's text to facilitate negotiations, contained in document FCCC/AWGLCA/2010/8. This document contains the results of the work of the drafting groups at the eleventh session of the AWG-LCA for consideration by Parties at the twelfth session of the AWG-LCA.

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. [Climate change is one of the greatest challenges of our time.] Parties share a vision for long-term cooperative action [now, up to and beyond 2012] 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 [of the Convention, on the basis of equity and in accordance with common but differentiated responsibilities and respective capabilities]; 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]. [This shared vision addresses all the implementation gaps to enable the full, effective and sustained implementation of the Convention now, up to and beyond 2012, on mitigation and adaptation commitments and in particular those related to the provision of financial resources (Article 4.3), and to the

promotion and transfer of technologies (Article 4.5), in the context of Article 4.7 of the Convention.].

1 bis. [Parties shall, in all climate change-related actions, ensure the full respect of human rights, including the inherent rights of indigenous peoples, women, children, migrants and all vulnerable sectors, and also recognize and defend the rights of Mother Earth to ensure harmony between humanity and nature.]

2. [Radical reductions of emissions commensurate with the threat of climate change are required.] [Parties believe that] [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] [and strive toward returning greenhouse gas concentrations in the atmosphere to well below 300 ppm CO₂ equivalent] [with absolute reductions by all developed countries and a decline in emissions relative to business as usual by developing countries] [, with a view to [return concentration to levels as close as possible to pre-industrial levels in the longer-term] reducing global emissions so as to [maintain] [hold] [stay well below a 1.5 degree Celsius increase in global average temperature above pre-industrial levels] the increase in global temperature below [1][1.5][350ppm][2] degree Celsius above pre-industrial levels] [to achieve the ultimate objective of the Convention], and [that] Parties [should][shall] [take [urgent] action][cooperate] to meet this objective consistent with science [and aimed at safeguarding the fundamental right to life] and on the basis of equity [considering that the lack of full scientific certainty about different technologies should not be used as a reason for postponing these actions] [in accordance with the principle of common but differentiated responsibilities] [and respective capabilities] [with developed countries taking the lead] [, [taking into account] [[based on] historical responsibilities and [preceded by a paradigm for] equitable access to global atmospheric space [allocating the remaining carbon budget up until 2050 according to the criteria of population and the climate emissions debt of Annex I Parties] [Annex II Parties]]] [based on per capita accumulative historical emissions, under which the leadership on emission reductions that needs to be shown by [Annex I Parties][Annex II Parties][Parties who have listed their commitments for actions in Appendix I] must be clearly demonstrated and expressed] [taking into account special national circumstances [including those provided in Articles [4.6,] 4.8, 4.9 and 4.10 of the Convention.] and respective capabilities of Parties][acknowledging that a certain degree of flexibility shall be allowed to the Parties included in Annex I undergoing the process of transition to a market economy].

3. [[Guided by the categorical imperative of safeguarding human life and subject to the paradigm for equitable access to global atmospheric resources, based on historical emissions referred to in paragraph 2,] [Developed country][Annex I] Parties [other than countries with special circumstances in accordance with decision 26/CP.7] should cooperate in achieving the peaking of [global][their] greenhouse gas emissions [[in 2015 and no later than 2020] [no later than 2015] [by 2020 at the latest,] [in order to hold the increase in global temperature below [1.5] [2] degree Celsius] and the peaking of national emissions] [in 2015] [as soon as possible,] recognizing that the time frame for peaking of national emissions [may vary in different countries] [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. [[Subject to the application of the paradigm for equitable access to global atmospheric space based on per capita accumulative historical emissions referred to in paragraph 2 above,] [Guided by the categorical imperative of safeguarding human life and subject to the paradigm for equitable access to global atmospheric resources, based on historical emissions referred to in paragraph 2,] [Parties should collectively reduce global

emissions by [at least 50][50][85][95][more than 100] per cent from 1990 levels by 2050 and should ensure that global emissions continue to decline[, and correction factors shall be taken in addressing greenhouse gas inventories to consider special and natural energy requirements for Parties due to natural phenomena of high weather temperature and low water resources,] thereafter.] [Parties should explore, through long-term cooperative action, to achieve a global goal for emission reductions of [at least 50][50][85][95] per cent from 1990 levels by 2050.] [based on the scientific IPCC report.]

[Developed country][Annex I] Parties as a group should [aim to] reduce their greenhouse gas emissions by [at least [40][45] per cent from 1990 levels by 2020 and] [80 per cent by 2035 and] [[75-85][around 80][80][at least 80-95][more than 95] per cent from 1990 levels by 2050] [more than 100 per cent from 1990 levels by 2040] [underpinned by a mid-term target of at least 40 per cent reductions from 1990 levels by 2020. However, this emission reductions target on the part of developed country Parties as a group does not automatically imply that developing countries will pick up the remainder of the emission reductions, taking fully into account that economic and social development and poverty eradication are the first and overriding priorities of developing country Parties. The extent to which developing country Parties will be able to contribute to the achievement of the long-term global goal will depend on the effective implementation by Annex I Parties and other developed Parties included in Annex II of their commitments under the Convention related to financial resources and transfer of technology. In this regard, developed country Parties should commit to provide [x] per cent of the Gross National Product and compulsory licensing of key climate-friendly technologies to developing country Parties].]

4 bis. [In order to guarantee the compliance of Annex I Parties with the goals adopted in paragraphs 2 and 4, a climate court of justice will be developed.]

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.

4 ter. [The shared vision for long-term cooperative action incorporates the following set of comprehensive goals:]

4 quater. [Parties' work to address climate change needs to take into account the dramatic changes in the world since 1990. In this regard, each Party should take and list mitigation actions commensurate with its capacity to act. As each Party gains capacity to act similar to Annex I Parties, they should undertake action on the same terms. All actions should be transparent, and instil confidence in Parties' ability to address climate change by engaging the international community's expertise and knowledge. Efficient market-based approaches are an important tool to help achieve significant emission reductions at lower cost and contribute to increased financial flows for mitigation in developing countries.]

4 quinquies. [Parties, especially developing country Parties, that would have to bear a disproportionate or abnormal burden under the long-term cooperative action of the Convention, should be given full consideration.]

5. [Developing country Parties are faced with urgent and severe long-term challenges from the impacts of climate change including those on crop production, food security, water resources, human health, as well as housing and infrastructure.] [Adaptation [to the adverse effects of climate change] [to climate change and impacts of response measures]is a challenge faced by all [Parties] [countries] and that] enhanced action and international cooperation on adaptation is urgently required [that developed countries provide 3 per cent of their Gross National Product] [to ensure the implementation of the Convention by enabling and supporting] [to enable and support] the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing countries [especially

in those that are listed in Article 4.8 of the Convention,] [and countries with special circumstances as recognised by decision 26/CP.7], [taking into account the urgent[, and] immediate [and long-term] 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 other developing country Parties with coastal areas, tropical and mountainous glaciers [and ecosystems], and fragile ecosystems as well as countries facing monsoon variability]and [further taking into account the needs of [all developing countries, especially in Africa]countries in] [Asia and]Africa [affected by drought, desertification and floods] [sea-level and temperature rise] [including those in preamble 19 of the Convention] [, as well as the needs of developing countries that are particularly vulnerable to the impact of response measures].

5 bis. [Developed country Parties should meet the full cost of the adverse effects of climate change in developing country Parties and provide new, additional, adequate, predictable and sustained financial resources, technology and capacity building to support and enable developing country Parties to effectively take short-, medium- and long-term adaptation actions.]

6. Enhanced action on adaptation [to the impact of climate change and to the impact of response measures] should be undertaken in accordance with the [principles and provisions of the]Convention [and relevant international human rights instruments], 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 [and indigenous] knowledge, with a view to integrating adaptation into relevant social, [public health,]economic and environmental policies and actions, where appropriate.

6 bis. [Parties are encouraged to support the further development and operational implementation of a Global Framework for Climate Services as agreed to by the third World Climate Conference.]

7. Addressing [negative social and economic consequences of] the impact of the implementation of response measures is a challenge faced by [all Parties[.], [in particular] [developing country Parties] [especially small island developing States and least developed countries] [the least developed countries and those least able to address the potential impacts], and that] enhanced [action and international cooperation [to reduce the impact of] [on]] [understanding of] response measures [is [urgently] required to [take action to minimize the impacts of response measures on developing countries listed in Article 4.8] [enhance knowledge and understanding of the matter [[to ensure that response measures are consistent with States' existing obligations] and]] [will help] to reduce vulnerability and build resilience in [affected] [developing] countries] [especially small island developing States and least developed countries] [and Africa].

7 bis. [The issue of the impacts of response measures is related to mitigation, and is separate from adaptation to the adverse effects of climate change.]

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.¹ 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].

¹ 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] [Decides] that

14. [[Developed country] [Annex I] Parties [commit to] [shall] implement individually or jointly the quantified economy-wide emissions [targets] [commitments] for [2020] [2017], [[to be submitted by these Parties in the format given] [set out] in Appendix I.]] [Proposal: format of Appendix I to be considered]

14 bis. [As of [date], Annex I of the Convention will be deemed to include those Parties that meet the following criteria: [_]]

14 ter. [Any Party to the Convention not included in Annex I may at any time inform the Secretariat that it intends to implement the provisions of this section.]

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

16. [[Developed country Parties’] [Annex I Parties’] quantified economy-wide emission [limitation and] reduction [objectives] [commitments] [set out in Appendix II] shall be formulated as a percentage [limitation and] reduction in [greenhouse gas emissions] [PLACEHOLDER: To be decided based on the outcome of the AWG-KP] [emissions of greenhouse gases listed in Appendix Y] [for the period from 2013 to [2017] [2020]] [compared to 1990 [[or another base year] [adopted under the Convention]] [, and shall be inscribed in [a] [this] 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 [limitation and] reduction [objectives] [commitments] shall be those adopted for the [second] [further] 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 Annex I Parties that are not Parties to the Kyoto Protocol], [the agreed economy-wide quantified emission [limitation and] reduction [objectives] [commitments] shall be those listed in appendix [X] [to this decision]]]] [... placeholder for targets for non-Kyoto Parties...].]

[Proposal: move before para 14]

[Proposal: split into para 17 for Kyoto Parties and para 17 bis for non-Kyoto Parties]

18. [[These commitments [[are made with a view to] [shall be consistent with] reducing] [must achieve] [are to reduce] 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]]] *[PLACEHOLDER: To be decided based on the outcome of the AWG-KP]* [that being adopted for the second commitment period under the Kyoto Protocol inscribed in Annex B of the Kyoto Protocol as amended as well as the consequential amendments in Article 3.1 pursuant to Article 3.9 of the Kyoto Protocol] [and by [at least] [YY] [around 80] [85] [95] per cent by 2050 from the [1990] [ZZ] level] *[PLACEHOLDER: To be included based on the outcome of Shared Vision].*] *[Proposal: move after para 15 as para 15bis].*

18 bis. [Developed country Parties mitigation commitments shall be consistent with the limit of the increase global temperature agreed in Shared Vision and with the remaining global carbon budget taking into account their population and their emission debt.]

19. [The efforts by [developed country Parties] [Annex I 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 efforts among developed country Parties shall be [facilitated] [verified] by a technical panel on comparability.]]

20. [Developed country] Parties [shall achieve their quantified economy-wide emission reduction [objectives] [commitments] [primarily] [only] through domestic efforts] [[and] may [continue to] use market based mechanisms that [were established under the Kyoto Protocol [and] may be established under the Convention and related instruments] [in a supplementary manner] [to achieve their mitigation obligations] [inscribed in paragraphs [xy]. Relevant principles, modalities, rules and guidelines, in particular for verification, reporting and accountability, shall be developed by [SBSTA] with a view to adoption by the Conference of the Parties at its 17th session]].

21. [Developed country] [All] [Annex I] Parties [shall] [will] prepare [low-emission] [zero-emission] plans [by 15 April 2013] [[, including norms for sustainable production and consumption in all relevant sectors] [for long-term emission [limitations and] reductions [as appropriate to their national circumstances] [so as to contribute to the achievement of a long-term aspirational and ambitious global goal for emission reductions]]]. [These plans should be submitted in Parties' next national communication, and should be updated as appropriate in future national communications.]

22. Delivery of reductions by [developed countries] [Annex I Parties] 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][17] session]]], [which will apply "mutatis mutandis" the relevant provisions of the Kyoto Protocol, including Articles 5, 7 and 8 of the Kyoto Protocol] 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 Convention and] the Kyoto Protocol] [such as provisions under Articles 5, 7 and 8 of the Kyoto Protocol].

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

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

(a) Developed country Parties shall continue reporting their data on GHG emissions/removals [as well as information on capacity building and technology transfer to developing countries] through annual [inventory submissions] [national GHG inventories] [prepared based on the 2006 IPCC guidelines] 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 [22] [above]] [including the following:

(i) Information related to accounting of market based mechanisms inscribed in paragraph xy;

(ii) Information related to accounting of emissions and removals from land use, land-use change and forestry];

(a) bis [Developed country Parties shall have in place and maintain a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol by [2011];]

(b) Developed country Parties [shall] [will] [, as part of their national communications,] submit [, as supplementary information to their national inventory reports], biennially by [15 April] starting from [20XX] [2013], [information] [progress reports] on the implementation of their enhanced mitigation [commitments] [and][or] action under the Convention; information to be provided [in these reports] shall be specified in the guidelines referred to in the paragraph [22] [above] and include the following:

(i) [National greenhouse gas inventories;]

(i) bis [the maximum aggregated emissions allowance in tonnes CO₂-e for the defined temporal period, including the methodologies for its calculation]

(ii) [[A detailed description of the nature] [Nature] and status of progress towards achieving the quantified economy-wide emission reduction [targets] [commitments] [inscribed in Appendix I, including descriptions of policy and measures used in implementation];]

(iii) [Status of implementation and estimated] [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;]

(iv) bis [domestic accounting of emissions units, including the acquisition, transfer and retirement of units, as well as their link with international offsets]

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

(vi) [Use and transfer of international [market mechanisms] [emissions trading or other offsets] [, mentioned in paragraph 20].]

(vii) [efforts and actions to reduce the impact of response measures;]

(viii) [methodologies, tools, models, and assumptions made in the assessment of the impact of response measures.]

(c) Developed country Parties shall continue submitting their national communications [,including updates and revisions of zero-emission plans] regularly, [in intervals between three and five years] [every four 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] [including improved information on the provision of financial support for developing country Parties].] [*Proposal: to replace by schedule for reporting*]

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 [and supplementary information according to paragraph 23 above] 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, [[participation in] [including] international consultations] 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] [17th] session. [Guidelines for the technical review of GHG inventories shall include adjustments to be applied when inventory data are found to be incomplete and/or are prepared in a way that is not consistent with IPCC guidelines.]]

Alternative to para 24:

[Each Party included in Annex I shall submit greenhouse gas inventory annually. The reporting of inventory and relevant information should be in accordance with the existing guidelines. This reporting should be verified and reviewed by expert review teams. Expert review teams shall be composed of experts selected from those nominated by Parties to the Convention. The review process shall provide a thorough and comprehensive technical assessment of all aspects of the implementation by a Annex I Party of its quantified emission reduction commitment. The expert review teams shall prepare a report to the Conference of the Parties, assessing the implementation of the commitments of the Party and identifying any potential problems in, and factors influencing, the fulfillment of commitments.]

25. [Net changes in greenhouse gas emissions by sources and removals by sinks resulting from direct human induced activities limited to afforestation, reforestation and deforestation since 1990 shall be accounted for in the emissions reduction commitments of developed country Parties. With respect to greenhouse gas emissions by sources and removals by sinks resulting from forest management, cropland management, grazing land management, wetland management and revegetation the definitions, rules and guidelines set out in decision X/CP.16 shall apply.] [The role of land use, land-use change and forestry [, and energy efficiency improvements] in meeting quantified economy-wide emission reduction [objectives] [commitments] [has to be fully recognized and] should be in accordance with guidelines to be adopted by the Conference of the Parties [as referred to in paragraph 22 above.] [which will apply, “mutatis mutandis”, the relevant provisions of the Kyoto Protocol].]

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

² [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.] [The Bali Action includes consideration of economic and social consequences of response measures in paragraph 1(b)(vi).]

27. [Principles, modalities, rules and guidelines to [promote] [ensure] compliance with commitments by [developed country Parties] [non-Kyoto Protocol Annex I Parties] [should] [shall] be developed [, taking into account relevant provisions under the Kyoto Protocol as appropriate] [by the Conference of the Parties at its XX session, applying “mutatis mutandis” the relevant provisions of the Kyoto Protocol] [including a facilitation and enforcement function and eligibility requirements to participate in market-based mechanisms] [and applied by a Climate Court of Justice to be developed].]

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][Decides] that

28. [[Developing country Parties][Non-annex I Parties], in the context of [their national, and regional development priorities, objectives and circumstances and] sustainable development, [will] [shall] [may voluntarily] undertake nationally appropriate mitigation actions [(NAMAs)][REDD programme], enabled and supported by finance, technology and capacity-building [according to Article 4, paragraphs 3 and 5 of the Convention.][The extent to which these Parties will [effectively] implement [nationally appropriate] 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][may] also undertake [voluntary] domestically funded [nationally appropriate] mitigation actions in accordance with their respective capacities [and historical responsibilities]].]

28 bis. [Developing country Parties will also undertake domestically funded nationally appropriate mitigation actions in accordance with their specific national developmental priorities, objectives and their national circumstances provided for in Article 4, paragraphs 8, 9 and 10 of the Convention.]

28 ter. [Emission reductions resulting from nationally appropriate mitigation actions shall not be used to offset quantified emission reduction commitment of Annex I Parties to the Convention.]

29. [[[Developing country] [Non-Annex I] Parties will [implement][undertake] [the] [nationally appropriate] mitigation actions [, including those] [submitted to the secretariat [by non-Annex I Parties] 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][nationally appropriate] [M][m]itigation actions [subsequently] taken and envisaged by [developing countries][non-Annex I Parties, including national inventory reports] [shall] be communicated in national communications [consistent with article 12 paragraph 1(b)] [or otherwise communicated to the secretariat [and][will] be added to the list in [Appendix II] [and reported in national communications]].]]

29 bis. [Developing country Parties shall implement mitigation actions set out in Appendix II, consistent with Article 4, paragraphs 1 and 7 and in the context of sustainable development.]

29 ter. [Hereby establishes a mitigation mechanism in order to technically support the development of and ensure the provision of financial, technological and capacity building support for implementation of nationally appropriate mitigation actions. On request by non-Annex I Parties the mechanism will, inter alia:

- (a) Support the development and enhancement of domestic capacities and national coordinating and implementation institutions or entities, including support related to enhancing national capacity for the design, preparation and implementation of nationally appropriate mitigation actions
- (b) Provide scientific advice and technical support to non-Annex I Parties, respecting a country led approach for the implementation of nationally appropriate mitigation actions, including:
 - (i) Facilitating, supporting or upon request undertaking mitigation potential assessment and mitigation planning; and
 - (ii) Developing guidelines for undertaking mitigation assessment and developing sustainable development plans, policies and measures which optimize mitigation co-benefits.
- (c) Support the assessment of mitigation potential of non-Annex I Parties and their needs related to finance, technology and capacity building
- (d) Facilitate the sharing of knowledge, experience and good practice at local, national, regional and international levels and disseminate such information.

[Note: Proposal to delete paragraphs 30-33 and reformulated as subparagraphs (e)-(f) as follows:]

- (e) The mechanism shall record proposed nationally appropriate mitigation actions seeking international support along with technology, finance and capacity building support as submitted by non-Annex I Parties pursuant to Article 12, paragraph 4 of the Convention which includes:
 - (i) The estimate of incremental costs;
 - (ii) An indication of type of support required;
 - (iii) An estimate of mitigation benefits; and
 - (iv) the anticipated timeframe for implementations.
- (f) Ensure the provision of financial, technology and capacity building support for proposed nationally appropriate mitigation actions through the financial, technology and capacity building mechanisms of the Convention based on the approval of a technical assessment by the mechanism, including an assessment of methodologies, in accordance with guidelines to be adopted by the Conference of the Parties at its XX session.]

29 quater. [A Registry is hereby established under the authority of the Conference of the Parties. The purpose of the Registry shall be to register and facilitate the implementation of nationally appropriate mitigation actions by developing country Parties to this Protocol and recording financial, technological and capacity related support provided by the developed country Parties to this Protocol to support nationally appropriate mitigation actions.]

29 quinques. [The Registry shall function under the authority of the Conference of the Parties and shall be maintained by the secretariat of the Convention. The Registry's structure and governance arrangements including the establishment of a technical panel to assess the potential outcome of nationally appropriate mitigation actions shall be further elaborated by the next session of the Conference of the Parties after the adoption of this Protocol.]

30. [[Voluntary] [N][n]ationally appropriate mitigation actions [, implemented with national and international support,][seeking [international] support] [developed country Parties][in accordance with Article 4, paragraph 3 and Article 11 of the Convention]will be

recorded in a [[M][m]echanism] [the][a] [Registry] [under the financial mechanism] referred to in paragraphs [31–33][xx] and [49–50][xx] below along with relevant technology, finance and capacity-building support [, as committed by developed country Parties.]]

30 bis. [A window of facility shall be established in mechanism referred in paragraph XX to provide full costs for the preparation and implementation of nationally appropriate mitigation actions and low-emission development plans in least developed countries taking into account their special needs and situations in particular their lack of financial, institutional and human capacity and their needs to sustainable development. Actions implemented in this window of facility shall be reported in national communications using appropriate guidelines.]

31. [[Pursuant to Article 12, paragraph 4, of the Convention,] [[D][d]eveloping country][non-Annex I] Parties [may] [shall] submit to the [M][m]echanism [under the financial mechanisms] [, on a voluntary basis,] proposals for nationally appropriate mitigation actions [for which they are seeking support [from developed country Parties][in accordance with Article 4, paragraph 3 and Article 11 of the Convention]], along with [an indication of type of support, the anticipated timeframe for implementation, and, if possible, an estimate of all related incremental costs, of the reduction of emissions and increments of removals of greenhouse gases, as well as estimate of the consequent benefits][information about anticipated business as usual scenario][an estimate of [domestic resources available, any] [[all] [related] [incremental costs], indication of type of support, an estimate of [costs,] mitigation benefits and the anticipated time frame for implementation.] Support sought for specific 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 [[M][m]echanism] [the Registry] 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] [at its XX session].]

Alternative to paragraphs 31 and 32:

[Under the Registry:

- (a) Developing country Parties seeking support for nationally appropriate mitigation actions shall submit information about proposed nationally appropriate mitigation actions, including:
 - (i) a description of the action for which support is sought;
 - (ii) the expected outcomes in terms of quantifiable emission reductions in tons of carbon dioxide-equivalent relative to nationally determined baselines;
 - (iii) the time frame for implementation; and
 - (iv) the estimated cost.
- (b) Information about proposed nationally appropriate mitigation actions, as outlined in paragraph (a) above, shall be assessed by technical panels coordinated by the secretariat, in accordance with guidelines agreed by the Conference of the Parties to determine whether a proposed nationally appropriate mitigation actions shall be recorded as registered in the Registry.
- (c) Developing country Parties shall report on registered nationally appropriate mitigation actions in an agreed format that indicated the impacts of their nationally appropriate mitigation actions on national emissions inventories. Emissions

reductions achieved by developing country Parties that are below measured, reported and verified baselines shall be recognized and, subject to the rules, procedures and modalities, relating to market mechanisms established pursuant to Article 9, may lead to the generation of offsets.]

33. [The [M][m]echanism shall [facilitate [and record]][ensure] the [matching of] [application of][provision of][channelling of] support [from developed country Parties] [in accordance with Article 4, paragraph 3 and Article 11 of the Convention] for proposed nationally appropriate mitigation actions by [developing countries][non-Annex I Parties] [that are seeking support] [only] through the [financial and technology mechanisms] [and bilateral, regional and other multilateral sources of funding][, private sector funding][the financial mechanism established under Article 11 of the Convention] and with capacity-building [through the framework for capacity-building].]

33 bis. [On a voluntary basis, developing country Parties may also submit information to the Mechanism on those nationally appropriate mitigation actions that are domestically funded and unilaterally implemented by that country. The Mechanism will record this information separately.]

34. [[Nationally appropriate] [M][m]itigation actions supported by international technology, financial, or capacity-building support will be added to the list in [Appendix II] [along with the support provided].] [Other mitigation actions may also be added to the list in Appendix II].

35. [[Voluntary][N][n]ationally appropriate mitigation actions, enabled and supported by finance, technology and capacity-building [from developed countries Parties], [together with the relevant support from developed country Parties] shall [not] be subject to [international] [measurement, reporting and] verification[, including the procedures described in paragraphs 38–43quater, accompanied by a review of the effectiveness of measures, financial auditing, and quantitative assessment of results achieved by supported activities by financial institutions and entities, and any additional guidelines] [at the international level] [respecting national sovereignty] [in accordance with guidelines to be] adopted by the Conference of the Parties at its [XX][seventeenth] session].]

36. [[Domestically-funded][Voluntary] [nationally appropriate] mitigation actions taken by developing country Parties will be subject to their domestic measurement, reporting and verification.][which will address each of the elements contained in paragraph 39 below, and use reviewers meeting international standards of independence and expertise] [the result of which will be reported in their national communications every two years][in accordance with guidelines to be adopted by the Conference of the Parties][and facilitative international consultation and analysis].

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 [nationally appropriate] mitigation actions [covered][supported] by market-based mechanisms, the requirements and rules governing participation in the relevant market-based mechanisms shall apply.] [the use and transfer of credits generated through market-based mechanisms will be communicated through national communications in accordance with paragraph 39].

38. [Developing country Parties][Non-Annex I Parties] [shall][will] [prepare][,][will continue to submit their national communications] in accordance with Article 12, paragraph 1, [based on guidelines to be adopted by the Conference of the Parties] of the Convention, national communications [including national greenhouse gas inventory, a description of

national circumstances, a description of mitigation actions, projections of emissions with and without actions, national assessment of vulnerability, climate change impacts, and adaptation measures, including an update to the Party's low emission development strategy.) [including, inter alia,

- (a) Information on key elements of low emission development plans;
- (b) Greenhouse gas inventories;
- (c) Greenhouse gas emission projection;
- (d) Information on all mitigation actions;
- (e) Support received and provided;
- (f) Adaptation actions;
- (g) Impacts from mitigation response measures implemented in other countries;
- (h) Impact from developing country actions on other countries.]

based on [provisions of paragraphs [35–[36] [37]and 39–40 [XX] and]] [revised] guidelines to be adopted by the Conference of the Parties at its [seventeenth] [XX] session [keeping in mind that the form, content, periodicity and the consideration thereof shall not be more onerous or laborious than that for the Annex I Parties] [based on recommendation by the SBI]. [These national communications [submissions should be subjected to Article 12 paragraph 5] [[should] [shall] be submitted to the Conference of the Parties [every [six][four]years][within X years of initial disbursement of financial resources]]] and their preparation [should] [shall] be supported by finance [technology] and capacity-building [by developed country Parties]] [in accordance with Article 12 paragraph 5 of the Convention]. [The first full national communication will contain the Party's low-emission development strategy.]

39. [[Developing country Parties][Non-Annex I Parties] [supported by finance and capacity building from developed country Parties] [submit through their national communications] [[should][shall][will], as [part][a complement] of their national communications, also prepare and submit [biennially][given proper support is available][report by January 1] [beginning in 20XX][2013]] to the Conference of the Parties [containing] the following elements [to the extent possible according to their respective capabilities and emission level]:

- (a) [[A] national greenhouse gas inventories] [and supplementary information specific to the pledged mitigation action][, covering emissions and removals of greenhouse gases from all sectors, following [2006] IPCC guidelines and using the UNFCCC common reporting format, including sufficient documentation and data and enable an understanding of underlying assumptions and calculations of the reported emission estimates];
- (b) [A detailed description of the nature and] [[S][s]tatus of implementation of [voluntary] [nationally appropriate] mitigation actions, [including market based actions,] [including those listed in Appendix II, including description of any policies and measures used in implementation,] and estimated emission reductions or removals [or avoided emissions] achieved from implementation of those actions;]
- (c) [Methodologies used and assumptions made in quantifying emissions [and emissions] reductions or removals[or avoided emissions] [,and other information needed to understand implementation];]
- (d) [Information on receipt of finance, technology and capacity-building support [, how the support was used, and how it related to needs identified in the Party's low

emission development strategy, enabling environment for receipt of support, and actions linked to international offsets [or emissions trading];]

(e) [A detailed description of the Party's system of domestic measurement, reporting and verification under paragraphs 35 and 36 (including methodologies and assumptions used and independence and expertise of reviewers) and detailed][[R][r]esult[s] of domestic verification of [domestically funded] [mitigation][autonomous] actions[.];]

(f) [information on adaptation needs, including adaptation projects or activities and difficulties encountered in their implementation.]

[Small island developing States and least developed countries may prepare and submit the biennial components of national communications, listed paragraphs (a)-(e) above, at their discretion and shall be supported by finance and capacity building.]]

39 bis. [In the context of paragraph 39, the Conference of Parties shall establish schedule and periodicity of reporting of national communications for all Parties[in line with respective capabilities]].

39 ter. [Developing country Parties will prepare their national communication as determined by the work under the SBI. Guidelines for national communications of non-Annex I Parties will be subject to decision taken under the SBI with respect to its content, format and frequency. Levels of financing offered by Annex I Parties must be increased to ensure coverage of agreed full cost of national communication of developing country Parties.]

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 [the report on implementation of supported nationally appropriate mitigation actions, with a view to improving its implementation by providing technical support and advise] national communications in the context of paragraph 38 and elements identified in paragraph 39 above [The purpose of international consultation and analysis is to assist Parties to improve the quality of greenhouse gas inventories and national communication reporting over time, to share experience and lessons learned, and to promote the environmental effectiveness and transparency of mitigation actions]. It should be a facilitative, [technical] [, transparent] and confidence building process, undertaken in accordance with clearly defined guidelines described in paragraphs 42–43 [quater] below and [based on the following guiding principles][be]:

- (a) [Based on 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 [and a better understanding of the effectiveness of mitigation efforts towards a long-term global goal];
- (d) [Enhancing transparency on implementation of developing countries' mitigation action[.];]
- (e) [Structured to facilitate mitigation actions by non-Annex I Parties, taking into account their respective capabilities.]]

42. [The analysis in the context of paragraph 41 above [will be a technical assessment of the information, focusing on correct application of methodologies on transparency and completeness of information reported and] will be undertaken by an independent panel of experts [representing all regions] [comprising [professional secretariat staff][and][rotating experts selected from a roster of national experts representing all regions]]. [The panel's greenhouse gas inventory review experts will conduct analysis of national inventories in the context of paragraph 39(a).] [based on guidelines to be adopted by the Conference of the Parties at its seventeenth session] .]

42 bis. [Following submission of national communications, biennial reports or one year after their non-submission, the panel will analyse the extent to which the Party has followed the reporting requirements for biennial communications, the national greenhouse gas inventory, the extent to which the Party has implemented its mitigation actions and the effect of such actions on emissions.]

42 ter. [The panel may among other things [conduct in-country visits in coordination with the host Party][meet directly with Party representatives, request additional documentation or information from the Party, and solicit information from other Parties or stakeholders.]]

42 quater. [No later than [12] months following the trigger described in paragraph 42bis, the panel will provide an analysis of considerations to the SBI. Prior to finalisation of the analysis, the Party concerned will have the opportunity to review and comment.]

42 quinques. [Analysis is to provide technical assessment of the information provided by non-Annex I Parties in their national communications.]

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.]

43 bis. [No later than [18] months following beginning of the analysis phase, the SBI will conduct the process of international consultation. It will include brief presentation by the Party concerned and interactive dialogue between the Party and the SBI.]

43 ter. [The international consultation of the result of the analysis in the context of paragraphs 41 and 42 above should be an exchange of views among Parties at the international level. It shall be based on guidelines to be adopted by the Conference of the Parties at its seventeenth session and should:

- (a) Consider the implementation of international mitigation action relative to the pledged action on the basis of results of the analysis taking into account the support provided as appropriate;
- (b) Consider emission trends;
- (c) Indicate areas for capacity building, further support all other measures to facilitate further implementation of mitigation action;
- (d) Address technical recommendations and areas for improvement identified in the analysis report [e.g. in terms of transparency in reporting].]

43 quater. [During the two week period following such a session, any Party may submit in writing through the secretariat additional questions to the Party concerned, which will endeavour to respond in writing to those questions through the secretariat, within two months.]

43 quinques. [By the session following the international consultations, the secretariat will prepare a record including; a summary of the panel's analysis, a summary of international consultations, and questions submitted by Parties and responses provided, and any other observations by the Party concerned. The secretariat will forward the record to the Conference of the Parties for its consideration.]

43 sexes. [Consultation is a process of exchanging views between the Parties and expert team at the international level with regard to the implementation and planning of mitigation actions, on the basis of result of the analysis.]

43 septies. [Based on the outcome of international consultation and analysis process, the SBI will issue policy recommendations on the mitigation actions of the Parties concerned if and only when the Party requests for the policy recommendation report.]

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 [by developed country Parties][in accordance with Article 4, paragraph 3 and Article 11 of the Convention]on the basis of the agreed full costs.]

45. [Enhanced support [from developed country Parties] [in accordance with Article 4, paragraph 3 and Article 11 of the Convention] shall be provided to meet the agreed full costs [incurred by developing country Parties][non-Annex I 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 [voluntary] 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].]

[Note: it has been proposed to move paragraphs 44 and 46 to Finance section of the text]

46 bis. [Developing country Parties will undertake the actions described above in accordance with Article 4, paragraph 7 of the Convention.]

[Reiterates that, under Article 4 paragraph 3 of the Convention, the developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1.]

47. [[Nationally appropriate][M][m]itigation actions [listed][referred to] in paragraphs [28] [and] [29] above will aim at achieving in aggregate a [substantial][15 to 30 per cent] deviation in emissions [in the order of 15 to 30 per cent by 2020 relative to those emissions that would occur under] [relative to][below][the] business as usual emissions in 2020.][according to their emission levels and respective capabilities.]]

48. [[The Parties to the Convention recognize that low-emission growth strategies are essential to sustainable development and can make substantial contribution to the achievement of the Convention's ultimate objective, as reflected in Article 2 of the Convention and further reflected in paragraph X above. As such, non-Annex I] [Developing country] Parties will prepare low-emission development plans[, which are indispensable to sustainable development. These plans should be submitted in Parties' next national communication, and should be updated as appropriate in future national communications]. 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.]

48 bis. [The Conference of the Parties requests international financial institutions and other funding entities to develop measurement, reporting, and verification standards and mechanisms appropriate to address non-Annex I Parties' mitigation actions that are supported in whole or in part by international financing, including standards for reporting of sources and amounts of support as well as enabling environments for receipt of support, and requests these institutions and entities to submit their standards and other relevant guidelines to the Conference of the Parties].

Decides

49. To establish a [M][m]echanism [under the financial mechanism] to record [voluntary] nationally appropriate mitigation actions [for][, including those that are domestically funded and those] which developing countries are seeking support and to facilitate [matching][channeling of finance] 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 [M][m]echanism [under the financial 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.

[Note: it has been proposed to bring paragraphs 62-63 from Finance chapter on MRV of support to the text]

[Note: it has been proposed to bracket the Appendix II contained in page 17 of document FCCC/AWGLCA/2010/8]

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

[Option 1:]

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, [conservation, sustainable management of forest, enhancement of forest carbon stocks], and [agrees] [recognizes] [to the need] to provide positive incentives to such [forest related] actions through [the] [immediate] establishment of a [system] [mechanism] [including REDD-plus,] to enable the [provision] [mobilization] of [financial] resources from developed countries [, in a position to do so,] [to assist developing countries in their efforts to better manage forests in sustainable manner].

52 bis. [The crucial role of natural and other sinks and systems for reducing emissions.]

52 ter. [Decides that a REDD plus mechanism is here by defined]

[Agrees] [Decides] that

53. [Under the mechanisms defined in paragraph 52 ter][Developing country] [All] Parties [may, pursuant to] [should, pursuant to] [may voluntarily utilize the] provisions [on REDD-plus as] presented in chapter VI, [contribute to] [develop adaptation and] mitigation actions in the forest sector by undertaking [any of] the following activities [at their discretion and in accordance to their national circumstances]:

- (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;]

[*Option 2 (The text in FCCC/AWG/LCA/2010/8 Chapter 1, paragraphs 52 and 53):*

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,³ 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. [*Agrees* that cooperative sectoral approaches and sector-specific actions should [enhance implementation of Article 4, paragraph 1 (c) of the Convention, be of a voluntary nature and consistent with the provisions and principles of the Convention, in particular the principle of equity, common but differentiated responsibilities [and respective capabilities] and the promotion of a supportive and open international economic system][be consistent with relevant provisions and principles of the Convention[, in particular the principle of common but differentiated responsibilities,][and respective capabilities][and that it may be useful for Parties to explore these approaches and actions further]]].

[*Option: paragraphs 55 and 56 should be discussed in the AWG-KP*]

55. [*Agrees* that the limitation [and][or] reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from [aviation and marine bunker fuels][international aviation and maritime transport] should be pursued working through the International Civil Aviation Organization and the International Maritime Organization, respectively,[in accordance with the principles and customary practices of ICAO / IMO][taking into account the principles and provisions of the Convention,][as applicable][through the use of potential revenues][[setting global emissions targets] on a scale consistent with the long-

³ 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".

term global[temperature] goal defined in section A on a shared vision for long-term cooperative action][of ten per cent and twenty per cent respectively below 2005 levels in 2020 for international aviation and maritime transport. The use of market-based mechanisms may contribute towards achieving these targets. Activities, policy approaches and measures established by the ICAO and the IMO should neither lead to competitive distortions nor carbon leakage and should be approved by 20XX.]

Alternative 1 to paragraph 55:

[Developed country Parties shall pursue limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and maritime bunker fuels, working through the International Civil Aviation Organization and the International Maritime Organization, respectively, in accordance with the principles and provisions of the Convention, in particular the principles of equity and common but differentiated responsibilities [and respective capabilities]. Cooperative sectoral approaches in the international transport sector should enhance implementation of Article 4, paragraph 1 (c), of the Convention.]

Alternative 2 to paragraph 55:

[[Parties included in Annex I][Developed country Parties] should pursue limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, working through the ICAO and the IMO, respectively].

55 bis. [*Encourages* the International Civil Aviation Organization and the International Maritime Organization to carry out their work in accordance with their respective Conventions and customary practices, taking into account applicable principles and provisions of the Framework Convention on Climate Change].

55 ter. [Any measures taken by developed country Parties through ICAO and IMO to reduce emissions from those sectors shall be taken on the basis of mutual consent of all Parties involved.]

55 quater. [*Requests* the International Civil Aviation Organization and the International Maritime Organization to ensure that the majority of any revenues arising from the implementation of such policy approaches and measures shall be made available to support climate change adaptation and mitigation [within the respective sectors] in developing countries, in particular small island developing states and least developed countries[as well as other vulnerable developing country Parties with coastal areas, tropical and mountainous glaciers and fragile ecosystems][, provided always that adequate revenues arising from the implementation of such policy approaches and measures shall be made available to support the respective aeronautical and maritime sectors in developing countries, so as to offset impacts on trade following for the transfer of levies to those sectors]].

56. [*Agrees* 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.][These reports should also include an explanation of how activities, policy approaches and measures taken by these organizations adhere to with the principles of the Convention and Kyoto Protocol, in particular the principle of equity and common but differentiated responsibilities [and respective capabilities.]]

Alternative 1 to paragraph 56:

[*Agrees* to invite these organizations to continue reporting to the Subsidiary Body for Scientific and Technological Advice on relevant activities in this respect.]

Alternative 2 to paragraph 56:

[Agrees to invite these organizations to report to the Conference of the Parties, at its [XX][seventeenth] session, and to its subsidiary bodies, as appropriate, and at regular intervals thereafter, on relevant activities, policy approaches and measures, relevant to paragraph 55 bis. above.]

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.

Alternative to paragraph 57:

[Cooperative sectoral approaches and sector-specific actions in agriculture should enhance the implementation of Article 4, paragraph 1 (c), of the Convention, safeguard food security and should not create disguised restrictions on international trade, pursuant to the provisions presented in chapter IX][and contribute to adaptation].

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

[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, [efficient] mitigation actions [consistent with the principles of the Convention][, considering that the lack of full scientific certainty should not be used to exclude these efficient actions from market mechanisms];]

Decides

58. [To] [That Annex I Parties may] 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;]

58 bis. [To establish new market-based mechanisms as provided for in chapter VIII, paragraph 3;]

58 ter. [To recall the continuation of existing market-based mechanisms.]

6. Economic and social consequences of response measures

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

[Emphasizing the special difficulties of those countries, especially developing countries whose economies are particularly dependent on fossil fuel production, use and exportation, as a consequence of actions taken on limiting greenhouse gas emissions.]

Decides

59.

Option 1:

To [establish] [provide for] a forum [and/or other arrangements] to [consider][support the development and implementation of] actions to address the [negative] impact of the implementation of response measures [by developed country Parties] on [developing country] Parties [referred to in Article 4, paragraphs 8, 9, and 10 of the Convention, in accordance with guidance to be agreed by the Conference of the Parties], pursuant to provisions [and principles of the Convention and the provisions] on economic and social consequences of response measures as presented in chapter VII.

Option 2:

To address economic and social consequences of response measures pursuant to provisions in Chapter VII.

Option 3:

That pursuant to provisions in chapter VII, and in order to assist [all Parties, in particular] developing country Parties in addressing the negative economic and social consequences of response measures:

- (a) *(Placeholder on trade and climate change. G77/China reserve right to provide new text in future)*

Alternative 1:

[Developed country Parties shall not resort to any form of unilateral measures including tariff and non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services imported from developing country Parties, on any grounds related to climate change. Such measures would violate the principles and provisions of the Convention, including, in particular, those related to the principle of common but differentiated responsibilities (Article 3, paragraph 1), to trade and climate change (Article 3, paragraph 5) and to the relationship between mitigation actions of developing country Parties and the provision of financial resources and technology by developed country Parties (Article 4, paragraphs 3, 5, 7, 8, 9, and 10)]

Alternative 2:

[Recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, and Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligation of the developed country Parties to provide financial resources, development and transfer of technology and provide capacity building support to the developing country Parties, the developed country Parties shall not resort to any form of unilateral measures, including tariff and non-tariff or other 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.]

Alternative 3:

[That, taking into account the relevant provisions of the Convention and further recognizing the principle enshrined in Article 3, paragraph 5, 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 on 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.]

Alternative 4:

[In accordance with Article 3, paragraph 5, 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.]

- (a) bis [That the social and economic cost derived from climate change mitigation response measures shall not be passed on to developing country Parties through any means, including trade-related measures, in accordance with Article 3, paragraphs 1 and 5 of the Convention, and stresses the importance of the provision of finance and

technology by developed country Parties, in accordance with Article 4, paragraphs 3, 5 and 7 of the Convention,]

(b) That a forum shall be established to consider actions to avoid and/or minimize the negative consequences of response measures taken by developed country Parties on all developing country Parties, in accordance with guidance to be agreed by the Conference of the Parties,

(c) That developed country Parties [in accordance with Article 4, paragraph 3 and 5 of the Convention] shall provide to developing countries new and additional financial resources, including for the transfer of technology and capacity building, in order to build the resilience of societies and economies negatively affected by the response measures.

Option 4:

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, evidence of actual impacts, including both positive and negative effects, and further decides to consider how existing channels, such as national communications and the Subsidiary Body for Implementation could serve as a platform for discussions on information provided by Parties, pursuant to provisions in Chapter VII.

59 bis [*Agrees* that, in accordance with relevant international instruments, including the UN Declaration of the Rights of Indigenous Peoples, the Parties shall cooperate with the indigenous peoples through their own representative institutions to obtain their free, prior and informed consent before adopting and implementing measures that may affect them.]

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

[Decides] (check consultation on legal form)

60. A new fund shall be established [under the Convention] [as an operating entity of] [to operate] the financial mechanism of the Convention [under the guidance and accountable to the COP] [to support projects, programmes, policies and other activities related to mitigation, [including REDD-plus], [including carbon capture and storage,] adaptation, capacity-building, and technology development and transfer, pursuant to the provisions presented in chapter III] [with the objective of implementing commitments in Article 4.3, 4.4, 4.5 [and 4.8] and 4.9 of the Convention within the context of Article 4.7]

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

Note from the Chair on paragraphs 66 bis and 66: In the course of negotiations a range of views was expressed by Parties on how to address the needs for capacity-building for countries with economies in transition and countries with special circumstances. The resolution of this issue depends on consultations being conducted by the Chair.

[Agrees that

66 bis. Enhanced action on capacity-building in this context is about capacity-building in developing countries, consistent with the Convention. Countries with economies in transition and countries with special circumstances are covered under decisions 3/CP.7, 3/CP.10 and 26/CP.7.]

Agrees that

66. Capacity-building is cross-cutting in nature and essential to enable developing country Parties [and countries with special circumstances in accordance with decision 26/CP.7] to participate fully in [addressing the climate change challenges][, and to implement effectively their commitments under, [in line with Article 4.3 of] the Convention].

Decides that

67.

- (a) 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.
- (b) [A technical panel on capacity-building is hereby established with the objective as defined in chapter V.
- (c) Performance indicators shall be developed and used to measure support for capacity-building activities in developing countries.]

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,¹ 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;

¹ 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 Action² 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

² <<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.

Option 1:

Decides to establish an Adaptation Committee under the Convention in order to provide coherence in the implementation of the enhanced action on adaptation under the Convention , which shall operate, inter alia:

- (a) To provide guidance to enhance action on adaptation, based on paragraph 1(c) the Bali Plan of Action;
- (b) To provide advice on eligibility criteria, equitability of resource allocation among thematic areas and implementation procedures for developing country adaptation projects, programmes and actions to the Conference of the Parties;
- (c) To receive, evaluate and recommend technical adjustments in the developing country Parties' applications for financial support, upon request, for the implementation of adaptation projects, programmes and actions; and to provide technical advice on the channels through which the projects, programmes and actions can be funded in the most expedited manner;
- (d) To regularly advise on the review and revision of the eligibility criteria, equitability of resource allocation among thematic areas, and implementation procedures for adaptation projects based on the criteria of effectiveness and efficiency, on the best available science and methodologies, lessons learned in the implementation of adaptation projects, programmes and actions;
- (e) To function as the Technical Panel of the Financial Mechanism Board and to provide advice and technical recommendations to the Financial Mechanism for the reviews and assessment of adaptation projects, programmes and actions submitted to the Financial Mechanism for consideration of funding;
- (f) To carry out reviews of portfolios of adaptation projects, which have been implemented, so as to assess their effectiveness, and to provide advice, based on these reviews, on the eligibility criteria and implementation procedures for such categories of projects;
- (g) To coordinate with regional centers to enhance implementation of adaptation actions;

Option 2:

Decides to strengthen, enhance and better utilize existing institutional arrangements and expertise under the Convention in order to support the implementation of the Adaptation Framework [for Implementation], by:

- (a) Facilitating the provision of scientific advice and technical support to Parties, respecting the country-driven approach, including for:
 - (i) Risk, vulnerability and adaptation assessments, and adaptation planning;
 - (ii) [Assessment of adaptation needs and adaptive capacity, including as they relate to finance, technology, and capacity-building;]
 - (iii) Strategies for prioritizing and implementing adaptation actions;
 - (iv) Strengthening institutional capacities and enabling environments for adaptation;
 - (v) [Building resilience of socio-economic and ecological systems;]
 - (vi) Strengthening data, information and knowledge systems, education and public awareness;
 - (vii) Improving climate related research and climate data collection, analysis and use;
 - (viii) Integrating adaptation actions into sectoral and national planning and risk management strategies and other ways to enable climate-resilient development;
 - (ix) Other areas as appropriate;
- (b) Strengthening, consolidating and enhancing 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;
- (c) Encouraging regional and international organizations and institutions to enhance adaptation action, including through the creation of partnerships between a range of stakeholders in developed and developing country Parties, as appropriate, to promote coherence, facilitate enhanced coordination, and avoid duplication of efforts;
- (d) Considering and recommending, as appropriate, actions to promote the enhanced use of technologies for adaptation;
- (e) Providing guidance to the financial mechanism, as appropriate;
- (f) Considering information communicated by Parties on their monitoring and review of adaptation actions, outcomes, and support, and other relevant information, and recommending further action, as appropriate;

Agrees to consider the need for new institutional arrangements, as appropriate to guide and support the implementation of the Adaptation Framework [for Implementation];

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,³ through risk management, insurance, compensation and rehabilitation;

³ Including sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification.

Decides that the institutional functions of the international mechanism to address loss and damage from the adverse effects of climate change shall include:

- (a) Engaging stakeholders with the specialist expertise required to provide advice to the Conference of Parties for addressing loss and damage through risk management, insurance and rehabilitation;
- (b) Facilitating advice and guidance on existing and innovative risk management, risk transfer and risk sharing approaches, including insurance;
- (c) Identifying key climate risk factors and thresholds for insurance payments;
- (d) Estimating the potential physical and economic impacts of key climate risk factors;
- (e) Receiving reports that key climate risk factor thresholds have been exceeded;
- (f) Facilitating the process of verifying that key climate risk factor thresholds have been exceeded;
- (g) Recommending to the Board appropriate financial compensation payments once climate risk factor thresholds have been exceeded;
- (h) Facilitating the design, establishment and operation of risk sharing and transfer mechanisms to address financial risk associated with impacts of climate-related extreme weather events, including the support of standardised risk assessment across countries;
- (i) Incentivizing good adaptation practice by recommending risk reduction and management pre-requisites for access to the international insurance facility.

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,⁴ 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;

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;

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

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] [enable] [enhance] 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 [by developed country Parties and other parties included in Annex II and direct access ensured] to developing country Parties [, particularly the LDCs, SIDS and Africa.] [[including] Part[ies][y] with special circumstances in accordance with decision 26/CP.7] [, particularly [[the most] vulnerable countries according to the Convention] LDCs and SIDS] [and Africa] [and mountainous landlocked developing countries] [through the financial mechanism operationalized under the Convention], in accordance with the relevant provisions of the Convention, to enable and support enhanced action on [the building blocks of the Bali Action Plan] [mitigation, including substantial finance to [REDD-plus,] [forest-related actions,] [carbon capture and storage] 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 country parties and other Parties included in Annex II] [[developed countries commit to a goal of mobilizing jointly USD 100 billion dollars] [developed countries] [commit to provide] [[shall make] assessed contributions of [at least] [1.5 per cent] [6 per cent] of the [GDP] [GNP] of those countries] [a year by 2020] [annually from year “x”] to address the needs of developing countries [, particularly LDCs and SIDS] [and Africa] [comprising 3 per cent for adaptation, 1 per cent for mitigation, 1 per cent for technology development and transfer and 1 per cent for forest-related action] [and 2 per cent for carbon capture and storage]. [This funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance].

3.

Option 1:

[The [main] [major] source of funding [shall go] through the financial mechanism [under the Convention]. [These resources] shall be new and additional [to 0.7 per cent developed country parties GDP as committed in UN in 1970] [, public] financial resources [which are over and above ODA] provided by developed country Parties [in accordance with article 4.3 of the Convention]. [Private-sector financing and other innovative sources of funding shall supplement the provision of public financial resources.] [Supplementary funding may come from private sources, as well as through bilateral and multilateral channels, provided that all these sources can be measured, reported and verified.] [Funding therefore will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance].

Option 2:

[The main source of public funding provided to the financial mechanism shall be new and additional financial resources, which may include innovative sources such as revenues from instruments addressing emissions from international maritime and aviation

transport. Private sector financing, in particular through market mechanisms, shall contribute to the provision of 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

4. 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

5. [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.

6. 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.

7. 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.

8. A new fund shall be established [under the Convention] [as an operating entity of] [to operate] the financial mechanism of the Convention [under the guidance and accountable to the COP] [to support projects, programmes, policies and other activities related to mitigation, [including REDD-plus], [including carbon capture and storage,] adaptation, capacity-building, and technology development and transfer, pursuant to the provisions presented in chapter III] [with the objective of implementing commitments in Article 4.3, 4.4, 4.5 [and 4.8] and 4.9 of the Convention within the context of Article 4.7].

9. The new fund shall be governed by a[n independent] board [[nominated][elected] [approved] by the Conference of the Parties at its [seventeenth] [sixteenth] session on the basis of criteria [which will be established consistent with rules] [contained in Annex X] [to be determined at the sixteenth session of the Conference of the Parties]]. The board shall have an [equitable [geographic distribution] and balanced][equal] representation [between net contributors and net recipients] of [all Parties][developed country Parties and developing country Parties] [within a transparent system of governance].

[[It] [The board] shall be comprised of 19 members as follows: 3 members from each UN regional grouping, 2 members from SIDS and 2 members from LDCs. The board shall convene its first meeting soon after the election of its members and shall meet as frequently thereafter as it decides. The board shall develop its strategic and operational

priorities, policies and guidelines for the approval of the COP at its seventeenth session. The members of the Board shall serve for a term of two years and shall be eligible for a maximum of two consecutive terms.]

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.

10. [[The board of the new fund] [shall] [may] establish specialized funding windows [including for REDD plus] [for mitigation and adaptation, and may establish other specialized funding windows] with the [prior] [approval] [guidance] of the Conference of the Parties [at its seventeenth session]. A [significant portion] [x percent] of the new multilateral funding [for climate change] [for adaptation] [shall] [should] flow through the new fund. [Fund resources will be allocated to all thematic windows with full consideration of the need for balance between mitigation and adaptation]. [The board of the new fund will [draw on the technical advice] of the [list thematic bodies, as needed] [when making funding decisions]] [via COP guidance]. [The Board shall take into account the technical and policy advice recommendations of the thematic bodies]].

11. The new fund shall provide simplified, improved and effective [procedures for direct] access to financial resources in a timely manner [, including direct access] [where appropriate, while ensuring sound financial management including fiduciary standards] [including, with robust fiduciary and procurement standards and social and environmental safeguards, direct access in appropriate circumstances].

12. The new fund shall be serviced by a [trustee and a secretariat] [contracted secretariat and a trustee selected through open competitive bidding. The criteria for selection of the trustee shall be made at the sixteenth session of the Conference of the Parties]. [The World Bank is invited to serve as the trustee of the Fund.] [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] [act as the interim trustee and the [YY] is invited to act as 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.

13. [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.] [A forum will be established to encourage coherence and coordination amongst donors and funding bodies for the express purpose of improving efficiency and effectiveness of financial support for adaptation and mitigation].

14.

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 [/bodies of the Convention] 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; [Encourage operating entities and other delivery channels to increase the flow and exchange of information, to avoid duplication of effort and to harmonize application, measurement and reporting procedures, including through the establishment a forum of entities that provide financial support.]
- (c) [[Assess the needs for international finance] [Provide a periodic overview of climate financing] 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.] [Review the distribution of finance and identify financing gaps]
- (e) [Recommend [to] [that] operating entities modalities [that] provide simplified, improved, effective and equitable access to financial resources in a timely manner, including direct access] [including, with robust fiduciary and procurement standards and social and environmental safeguards, direct access in appropriate circumstances];
- (f) [Recommend modalities to measure, report and verify the support provided to developing country Parties for enhanced action in developing countries;]
- (g) [Verify the support provided by [developed countries] [Annex II countries] through a system based on in-depth review of annual reports and National Communications of [Annex I Parties] [Annex II Parties] in accordance with the guidelines to be developed by COP while ensuring that accounting of support is rigorous, robust and transparent.] [Assess the financial contributions of [developed countries] [Annex II Parties] which will be measured, reported and verified annually in accordance with international standards and any further guidelines to be adopted by the COP and will ensure that accounting of such contributions is rigorous, robust and transparent so as to allow feasible comparability of efforts]
- (h) [To review access to funding by developing country Parties, especially LDCs and SIDS [and countries with special circumstances].]
- (i) [To establish eligibility criteria for climate finance, guidelines related to transparency of decision making regarding financing, access to financing and reporting requirements for the operating entities]
- (j) [To verify the priorities of developing country Parties, particularly those vulnerable to the impacts of climate change and the adverse impacts of response measures as contained in Article 4.8 of the Convention]
- (k) [Seek to mobilize financial resources in accordance with Article 4.3, 4.4, 4.5 and Article 11]

Option for subparagraphs (a) and (e):

[The COP will, by its [x] session, develop reformed and strengthen procedures for providing guidance to, and improving the accountability of the operating entity [ies].]

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

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

14 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]

14 quater. [The new body shall be serviced by a secretariat.]

15. [[The Parties reaffirm the role of the GEF as an operating entity of the financial mechanism under Article 11 of the Convention] Parties agree to [revise] [review] 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.]

16. [In order to enhance coordination and coherence, ensure country ownership, and facilitate direct access, developed country Parties in line with their commitments under article 4 of the Convention, shall provide support to developing country Parties to establish a national coordinating body and/or strengthen existing institutions on the means of implementation. The national coordinating body, supported by finance provided through the financial mechanism, will coordinate the implementation and related actions, based on country driven priorities, which require or have received technology, finance and capacity-building support.]

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 the 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.

Note from the Chair: In the course of negotiations a range of views was expressed by Parties on how to address the needs for capacity-building for countries with economies in transition and countries with special circumstances. The resolution of this issue depends on consultations being conducted by the Chair.

The Conference of the Parties,

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

[*Recognizing* that capacity-building activities are related to all aspects of the Convention[, particularly adaptation and development and transfer of technology][, 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 [and 9] 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] [the implementation of the Bali Action Plan],]

[*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 [combating climate change][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;

1 bis. [*Agrees* that the technical assistance in capacity-building for Parties included in Annex I undergoing the process of transition to a market economy are essential to participate fully in and to implement effectively their commitments under 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;

2 bis. [*Decides* that, in pursuit of enhanced action on capacity-building, the identification of capacity-building needs must be nationally determined, based on national circumstances and priorities;]

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 [with the support of developed country Parties] 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.

[Option 1:

[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]];*
 - (c) bis *[Be consistent with the principle of environmental integrity]*
 - (d) *Be undertaken in accordance with [their specific] national [development priorities, objectives and] circumstances [,special circumstances of countries as recognized by Decision 26/CP.7] [and capabilities of the country] and respect sovereignty;*
 - (d) bis *[Guarantee rights of indigenous peoples under the basis of international normative instruments and local communities]*
 - (e) *Be consistent with [their] national sustainable development needs and goals;*
 - (e) bis *[Not be market mechanisms on forest related actions]*
 - (f) *[Facilitate][ensure that implementation be in the context of] sustainable development [and], [reduce] [reducing] poverty [and][while] [respond] [responding] to climate change in developing country Parties;*
 - (g) *[Promote broad country participation;]*
 - (h) *Be consistent with the adaptation needs of the country;*
 - (h) bis *[Not be offset mechanisms that implies that developed countries will use emission reductions that were made by developing countries in order to fulfill their emission reduction commitments]*
 - (i) *[Be [integrated into nationally appropriate mitigation actions][or be] [developed within the context of a low greenhouse gas emission strategy];]*

- (j) Be subject to [the provision of] [equitable, adequate, predictable and sustainable] financing and technology [by developed country Parties] [support], including support for capacity-building;
- (k) [Be results-based;]
- (l) [Promote sustainable management of forests;]
- 1 bis. [Eligibility criteria for funding forest related activities should include the following:
- (a) Equitable distribution of funds must be assured;
- (b) Support for proposals that address the underlying causes of forest losses, including actions within but not limited to the forest sector;
- (c) Proposals shall not be considered that allow industrial scale logging or that involve conversion of natural forests to plantations or other commercial or infrastructure activities and projects that damage the environment or violate the rights of local communities;
- (d) Proposals and activities should promote good governance, in particular with respect to forest policies and law enforcement
- (e) Proposals and activities should contain transparent and participatory mechanisms to prevent or resolve conflicts over access, use and ownership rights that could arise during the development and/or implementation of forest related activities]
2. *Further affirms* that when undertaking activities referred to in paragraph 3 below, the following safeguards should be [promoted and supported] [ensured]:
- (a) [Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;]
- (b) [Actions that are] [Transparent and effective national forest governance structures, [in accordance with] [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][in particular] [that] the [General Assembly has adopted the] United Nations Declaration on the Rights of Indigenous Peoples [that was adopted by the General Assembly];]
- (d) [Actions where there is] [Full and effective participation of relevant stakeholders [and local communities], including, in particular, indigenous peoples [rights to free prior and informed consent (FPIC)] 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 [into plantations, as monoculture plantations are not forest], 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;]¹]
- (f) Actions to address the risks of reversals;

¹ [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.]

- (g) Actions to reduce displacement of emissions;
3. *Decides* that [developing][all] country Parties [should][may voluntarily] [may develop adaptation and] [contribute to] mitigation actions in the forest sector by undertaking [any of] the following activities [as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances]:
- (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][that wishes to engage in voluntary] activities referred to in paragraph 3 above, [provided [that finance and technology by developed country Parties] 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];]
 - (a) bis [A proposal for funding a robust sustainable forest management system to be submitted to the mechanisms]
 - (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;]
 - (b) bis [A national forest reference emission level, if available, or a proposal to fund a study to establish a national forest reference emission level]
 - (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 monitoring and reporting as an optional interim measure,²] 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

² Including monitoring and reporting of emissions displacement at the national level.

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 extent which developing country Parties will effectively implement] [the] activities [undertaken by Parties] referred to in paragraph 3 above [will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology] 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] [if and only if financial resources and transfer of technology by developed country Parties were previously measured, reported and verified];]

9. [Decides] [[Recognizes] that the implementation of the activities referred to in paragraph 8 above, including the choice of a starting phase, depends on [their] [the] specific national [development priorities, objectives,] circumstances, capacities and capabilities of each developing country Party and [of each developing country Party and the provision of finance and technology by developed country Parties] [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 [provision of finance and technology transfer] [support] provided by developed country Parties [to support] the implementation of safeguards and actions referred to in paragraphs 2 and 3 above [with the full and effective participation of indigenous representatives];]

12. [Requests that the promotion and implementation of all activities referred to in paragraphs [2,] 3, 5, 7 and 8 above, [including consideration of the safeguards referred to in paragraph 2 above,] and early action, [shall be provided] [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] [by developed country Parties];

(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];

(c) [[through existing bilateral and multilateral channels;] [bearing in mind that these activities shall 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]]

12 bis. [Request SBSTA to develop modalities to account for emission reductions from sustainable forest management.]

12 ter. [Parties pursuing actions on REDD plus should conduct an assessment of the social and economic impacts of such activities, particularly on local and indigenous communities.]

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.]

[Option 2 (The text in FCCC/AWG/LCA/2010/8 Chapter VI):

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;^{3]}
 - (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;]

³ [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.]

(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 monitoring and reporting as an optional interim measure,⁴ 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-

⁴ Including monitoring and reporting of emissions displacement at the national level.

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];

(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 chapter I C 6.

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, referred to in Article 4, paragraph 8 (h) of the Convention,

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

Recognizing that environmental standards should reflect the environmental and developmental context to which they apply, and that standards applied by some countries may be inappropriate and of unwarranted economic and social costs to developing countries.

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 [developing country Parties, especially] 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, 8, 9 and 10] 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, 8, 9, 10;

[*Recalling* the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligation of the developed country Parties to provide financial resources, transfer of technology and provide capacity building support to the developing country Parties, the developed country Parties shall not resort to any form of unilateral measures, including tariff and non-tariff or other 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.]]

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;]

3. *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;

4.

Option 1:

[*Decides* to establish a forum to [assist affected countries in analyzing and addressing the impact of response measures, which in addition 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[will engage all relevant public organisation, the private sector, experts and other stakeholders in this undertaking. It will also consider appropriate tools such as insurance, technology development and transfer, for dealing with negative consequences as well as identify possible sources of funding for improving environmental and energy efficiency in upstream and downstream activities relating to fossil fuels;]

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.]

Option 3:

[*Decides* to establish a semi-annual Forum, under the COP, to be held in conjunction with SB meetings, for Parties and representatives of relevant intergovernmental organizations, with participation from the scientific, financial and insurance private sector, to guide, monitor and evaluate implementation of a work programme on the impact of response measures, which will include, inter alia, the elements listed in paragraphs XX below.

Decides further that the Forum at its first session shall agree a work plan for addressing the work programme on the impact of response measures, and set particular milestones for making progress and delivering actions.

The Forum shall report annually to the COP on findings with a view to making recommendations for decisions on further actions.

The work programme for the Forum shall include , inter alia:

- (a) Insurance, and financial risk management
- (i) Possible collaboration between the climate change community, government programmes and private insurance sectors;

-
- (ii) Private-public partnerships linking insurance mechanisms and risk-reduction mechanisms;
 - (iii) Ways in which to build capacity at the national level for risk management, risk financing and risk transfer,
 - (iv) Means by which to engage the private sector in the development of alternative risk transfer mechanisms;
 - (b) Modelling
 - (i) Dissemination of modelling tools and models to non-Annex I Parties, and ensuring increased collaboration on modelling activities on an ongoing basis;
 - (ii) Development of methodologies to assist developing countries to examine vulnerability to the impact of the implementation of response measures;
 - (iii) Development of draft guidance documents on how to undertake socio-economic assessments of the impact of response measures to be piloted in selected countries as a basis for detailed and comprehensive guidance;
 - (iv) Development, in collaboration with international organizations, of methodologies to assess the impacts on developing countries of policies already implemented by Annex I Parties,
 - (v) Coordination with the scientific research community, including the IPCC, to improve the quality of models, in particular those that assess the impact of response measures on developing countries, with a view to fully addressing this issue in the future work of the IPCC;
 - (vi) Capacity Building at the national level on modelling the impacts of response measures;
 - (c) Economic diversification
 - (i) Providing support for the integration of economic diversification into sustainable development strategies;
 - (ii) Exchanging experience in economic diversification and lessons learned, with a view to identifying what technical assistance may be needed to develop structural and institutional capacity, and/or to establishing a mechanism for facilitating efforts to achieve economic diversification;
 - (iii) Coordination by the secretariat with relevant international organizations and the private sector in developed countries on matters relating to economic diversification;
 - (iv) Building capacity, at the national level, in the areas of economic diversification;
 - (v) Promoting private-public partnerships in various areas to support economic diversification;
 - (vi) Providing recommendations for encouraging direct investment by and technology transfer from developed countries to assist in the economic diversification of developing countries;
 - (vii) Addressing the extent to which trade and export barriers affect economic diversification in developing countries;
 - (d) Technology transfer

- (i) Providing support for win-win technologies that help address climate change and reduce the negative impact of response measures, like carbon capture and storage;
- (ii) Support technology transfer and the removal of barriers for technologies that help developing countries adapt to the negative effects of response measures.

Chapter VIII

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

[PLACEHOLDER: Market approaches should be defined after the AWG-KP concludes its mandate]

[The Conference of the Parties,

Option A:

[Recognizing the need to ensure the availability of a range of [measures] [approaches] at the international level to enhance the cost-effectiveness of, and to promote, mitigation actions [consistent with the principles of the Convention];

[Bearing in mind different circumstances of developed and developing countries;]

[Reaffirming that any approach to enhance the cost-effectiveness, and to promote, mitigation actions should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade;]

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

1. [Decides that the [possible] development and use of [measures] [approaches] at the international level[, including market instruments,] to enhance the cost-effectiveness of, and to promote, mitigation actions [by Annex I Parties] [including market-based mechanisms] [shall not constitute a means of arbitrary or unjustifiable discrimination or disguised restriction on international trade in accordance with Article 3, paragraph 5, of the Convention, and] shall be guided by the following principles:

(a) The participation of Parties in such [measures] [approaches] shall be [on a voluntary basis,] supported by the promotion of fair and equitable access for all Parties;

(a) bis [Such [measures] [approaches] shall not promote new market mechanisms;]

(a) ter [Such [measures] [approaches] shall correct failures of previous existing market mechanisms;]

(b) [Such [measures] [approaches] shall lead to a net reduction in global greenhouse gas emissions;]

(c) [Such [measures] [approaches] shall provide incentives to developing countries [through no new market mechanisms][, especially those with low emitting economies,] [to develop on low-emission pathways];]

(c) bis [Such [measures] [approaches] shall remove perverse subsidies and other measures that contribute to the excessive production and consumption of fossil fuels and energy from other sources that have significant adverse environmental, social or economic impacts;]

(d) Such [measures] [approaches] shall [provide lasting contributions] [contribute] 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, [where relevant,] [including

indigenous populations][,assuring full respect to the rights of indigenous peoples and local communities];

(e) [Such [measures] [approaches] 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] [approaches] 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;]

(f) bis [Safeguards environmental integrity by ensuring that emission reductions and removals are additional to any that would otherwise occur, reflecting contributions by developing country Parties according to their emission levels, providing for robust measurement, reporting and verification, and preventing double-counting;]

(g) [Such [measures] [approaches] shall be implemented in a [fair, equitable,] expedient and efficient manner[, considering all sectors and sources and ensuring geographical balance in access to these mechanisms];]

(g) bis [Such [measures] [approaches] shall promote changes in lifestyle and consumption patterns in developed countries that can lead to a decrease in greenhouse gas emissions;]

(h) [[Annex I] Parties shall [be accountable] [report] to the Conference of the Parties [for] [on] mitigation actions undertaken under their authority through such [measures] [approaches];]

(i) [The use by [developed country] [Annex I] Parties of such [measures] [approaches] shall [be supplemental to their domestic mitigation [efforts] [obligations]] [not represent an offsetting of greenhouse gas emissions];]

2. *Undertakes* to [maintain and] [build upon] [existing [measures] [approaches],] [including] [the market instruments under the Kyoto Protocol] [inter alia by promoting programmatic clean development mechanism activities], [in developing and implementing] [further] [measures] [approaches] [at the international level] to enhance the cost-effectiveness of, and to promote, [further] mitigation actions [by Annex I Parties];

2 bis. [*Decides* to establish a second commitment period under the Kyoto Protocol with ambitious targets to maintain and build upon existing mechanisms under the Kyoto Protocol and develop and implement further [measures] [approaches] at the international level to enhance the cost-effectiveness of, and to promote, mitigation actions;]

3.

Option 1:

[*Decides* to [establish] [consider establishing] an international framework to [promote] [give the option for] the [implementation of mitigation actions jointly among [Annex I] Parties] [according to their individual emission reduction targets under the Kyoto Protocol] [and channel scaled-up levels of finance and investment[, in particular from the private sector,]] [to developing country Parties] in a manner that:

(a) [Provides incentives for developing country Parties to [engage in expanded] [take] mitigation actions [more effectively] 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 [under Article 4, paragraphs 3, 5 and 7, of the Convention];]

(d) [Makes available upfront financing [from developed country Parties] to [engage in [expanded]] mitigation actions [in developing country Parties];]

(e) [Incorporates means to make use of public finance [from developed country Parties] [to leverage private sector finance];]

Option 2:

[Decides to establish[, as part of the legally binding agreement referred to in decision -/CP.xx,] new market-based mechanisms that complement other means of support for nationally appropriate mitigation actions by developing country Parties, enhance the cost-effectiveness of mitigation and assist developed country Parties in meeting part of their mitigation commitments;

Requests the Subsidiary Body for Scientific and Technological Advice to recommend definitions, modalities and procedures for the new market-based mechanisms referred to in paragraph [X] above, with a view to forwarding a draft decision on this matter to the Conference of the Parties for adoption at its seventeenth session, guided by, inter alia:

(a) Ensuring voluntary participation of Parties;

(b) Stimulating greenhouse gas emission reductions and removals across broad segments of the economy;

(c) Safeguarding environmental integrity by ensuring that emission reductions and removals are additional to any that would otherwise occur, reflecting contributions by developing country Parties to global mitigation efforts, providing for robust measurement, reporting and verification, and preventing double-counting;

(d) Benefiting developing country Parties by promoting technology transfer and other co-benefits that contribute to sustainable development, including avoiding high-emission trajectories;

(e) Promoting fair and equitable access to market-based mechanisms;

(f) Promoting investment by the private sector;]

4. [Decides to [establish [measures] [approaches]] [develop possible approaches] at the international level that promote [cost-effective] mitigation by [reducing the costs of mitigation [of developed country Parties] and] enabling [the scaling up of mitigation actions] [more ambitious emission reduction commitments by developed country Parties] [in a manner that] [specifically including]:

(a) [Strengthens cooperative action among [Annex I] 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] [approaches] to mitigate climate change over the medium and long-term] [Promotes near, medium and long-term mitigation];]

5.

Option 1:

[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] [approaches] referred to in paragraph[s] 3 [and 4] above, [with a view to forwarding [a] draft decision[s] on [this matter] [these matters] to] [for

consideration by] the Conference of the Parties [for adoption] at its [seventeenth] [eighteenth] [xx] session;]

Option 2:

[Decides that it shall at its [seventeenth session] adopt rules, modalities and procedures for the new market mechanisms referred to in paragraph 3 above;]

[Requests the Subsidiary Body for Scientific and Technological Advice to recommend modalities and procedures for the [measures] [approaches] referred to in paragraph 3 above with a view to forwarding a draft decision on this matter 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 [definitions,] modalities and procedures referred to in paragraphs 5 above;]

6 bis. [Decides to establish a work programme to promote the [measures] [approaches] referred to in paragraph 4 above and requests the Subsidiary Body for Scientific and Technological Advice to consider the work programme with a view to forwarding a draft work programme for adoption by the Conference of the Parties at its seventeenth session;]

6 ter. [Decides to establish an advisory board under the Subsidiary Body for Implementation to evaluate the use of different mitigation approaches, and mitigation choices, taken by Annex I Parties in order to evaluate the cost-effectiveness of the choices, and their spillover effects; the board will further evaluate the ratio of domestic mitigation action relative to offsets and other mitigation choices and further make comparisons between Parties in that regard in accordance with guidelines and limits agreed by the Conference of the Parties at its seventeenth session;]

6 quarter. [Decides that reports of the advisory board shall be evaluated by a compliance mechanism to be agreed by the Conference of the Parties at its seventeenth session;]

7. [Decides that [developed country] Parties may use [only] units from [market-based mechanisms established in] any instrument [established pursuant to] [under] 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 [and that this use shall supplement domestic mitigation action];]

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] [approaches] to progressively reduce the production and consumption of hydrofluorocarbons] [Promotes joint specific scientific research on refrigerant alternatives, under different weather conditions, that have both low ozone depleting and low heating values];]

Option B:

[Recognizing the need to ensure the availability of a range of [measures] [approaches] at the international level to enhance the cost-effectiveness of, and to promote, mitigation actions [consistent with the principles of the Convention];]

[Requests the Subsidiary Body for Scientific and Technological Advice to develop a work programme on this issue to be submitted for the consideration of the Conference of the Parties at its seventeenth session with a view to evaluate a decision on this matter at its eighteenth session;]

Option C:

[*Decides* to postpone action on various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, until the entry into force of the second commitment period of the Kyoto Protocol.]

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][the value of] 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 [and management of emissions from livestock] 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.]