

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

Tenth session
Bonn, 1-11 June 2010

10 June 2010 @ 22:30

Advance draft of a revised text to facilitate negotiations among Parties, to be issued as an official document (FCCC/AWGLCA/2010/8) for consideration at the eleventh session of the AWG-LCA

At its tenth session, the AWG-LCA established a contact group to consider the preparation of an outcome to be presented to the Conference of the Parties for adoption at its sixteenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012.

The AWG-LCA considered the text to facilitate negotiations among Parties prepared by its Chair contained in document FCCC/AWGLCA/2010/6.

This advance draft of a revised text to facilitate negotiations among Parties reflects the Chair's sense of the progress made by the contact group at the tenth session. The progress made at informal consultations on enhanced action on technology development and transfer, and on various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, will be reflected in the complete version to be issued as soon as feasible. This is due to the fact that consultations on these two issues are concluding their work on Thursday 10 June 2010.

This advance draft is provided to Parties in the spirit of transparency and as an effort to facilitate preparations for the consideration of the revised text at the eleventh session of the AWG-LCA.

Overview of contents

- I. Chapter I
 - A. A shared vision on long-term cooperative action
 - B. Enhanced action on adaptation and its associated means of implementation
 - C. Enhanced action on mitigation and its associated means of implementation
 - 1. Nationally appropriate mitigation commitments or actions by developed country Parties
 - 2. Nationally appropriate mitigation actions by developing country Parties
 - 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
 - 4. Cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1 (c), of the Convention
 - 5. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind the different circumstances of developed and developing countries
 - 6. Economic and social consequences of response measures
 - D. Enhanced action on the provision of financial resources and investment
 - E. Enhanced action on development and transfer of technology
 - F. Enhanced action on capacity-building
 - G. Review
- Appendices
- II. Enhanced action on adaptation
- III. Enhanced action on the provision of financial resources and investment
- IV. Enhanced action on technology development and transfer
- V. Enhanced action on capacity-building
- VI. Nationally appropriate mitigation actions by developing country Parties: mechanism to record nationally appropriate mitigation actions and facilitate provision and recording of support
- VII. 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
- VIII. Economic and social consequences of response measures
- IX. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions
- X. Cooperative sectoral approaches and sector-specific actions in agriculture

I. 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. The Parties share a vision for long-term cooperative action that is to guide and enhance the full, effective and sustained implementation of the Convention in order to achieve its ultimate objective as set out in its Article 2; this vision addresses mitigation, adaptation, finance, technology development and transfer, and capacity-building in a balanced, integrated and comprehensive manner, giving equal weight to action on adaptation and mitigation.
2. Deep cuts in global emissions are required according to science, and as documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, with a view to reducing global emissions so as to maintain the increase in global temperature below [1.5] [2] degrees Celsius above pre-industrial levels, and that Parties should take action to meet this objective consistent with science and on the basis of equity, taking into account historical responsibilities and access to global atmospheric resources.
3. Parties should cooperate in achieving the peaking of global and national emissions by 2020, at the latest, recognizing that the time frame for peaking will be longer in developing country Parties and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing country Parties and that a low-emission development strategy is indispensable to sustainable development.
4. Parties should collectively reduce global emissions by at least 50-85 per cent from 1990 levels by 2050 and should ensure that global emissions continue to decline thereafter. Developed country Parties as a group should reduce their greenhouse gas emissions by at least 80-95 per cent from 1990 levels by 2050.

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

5. Adaptation is a challenge faced by all Parties and that enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing countries, especially in those that are particularly vulnerable.
6. Enhanced action on adaptation should be undertaken in accordance with the Convention, follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and be based on and guided by the best available science, and, as appropriate, traditional knowledge, with a view to integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate.
7. Addressing the impact of the implementation of response measures is a challenge faced by all Parties, in particular developing country Parties, and that enhanced action and international cooperation on response measures is urgently required to enhance knowledge and understanding of the matter and to reduce vulnerability and build resilience in affected countries.
8. The full, effective and sustained implementation of the Convention requires long-term national and international cooperative efforts to accelerate research and development, demonstration, deployment, diffusion and transfer of environmentally sound technologies and know-how, in particular to developing country Parties.
9. In order to achieve the ultimate objective of the Convention, all Parties should cooperate, consistent with international obligations, through effective mechanisms, enhanced means, appropriate enabling environments and the removal of obstacles, and ensure the provision of technological support to developing country Parties to enable action on mitigation and adaptation.
10. In order to achieve the full, effective and sustained implementation of the Convention new, additional, adequate, predictable and sustained level of financial resources, in the order of [xx], should be provided 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: In the context of a shared vision for long-term cooperative action, Parties have proposed text related to trade and climate change. Text on this subject matter is already included in other parts of the text, such as in chapter VIII on economic and social consequences of response measures.

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

Establishes

12. 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].

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.

Agrees that

13. Developed country Parties commit to implement individually or jointly the quantified economy-wide emissions targets for 2020, to be submitted by these Parties in the format given in Appendix I; Annex I Parties that are Party to the Kyoto Protocol will thereby further strengthen the emissions reductions initiated by the Kyoto Protocol.

14. These commitments are made with a view to reducing the aggregate greenhouse gas emissions of developed country Parties by 25–40 per cent from [XXXX] levels by 2020.

15. The efforts of developed country Parties to reduce their greenhouse gas emissions shall be comparable in [legal form] [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 by a technical panel on comparability.

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

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

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

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

- (a) Developed country Parties shall continue reporting their data on GHG emissions/removals through annual inventory submissions by 15 April every year; information to be provided as part of the inventory submission shall be based on the current reporting requirements under the Convention, with possible additional reporting elements to be specified in the guidelines referred to in the paragraph above;
- (b) Developed country Parties shall submit, biennially by [15 April] starting from [20XX], progress reports on the implementation of their enhanced mitigation action under the

Convention; information to be provided in these reports shall be specified in the guidelines referred to in the paragraph above and include the following:

- (i) National greenhouse gas inventories;
 - (ii) Nature and status of progress towards achieving the quantified economy-wide emission reduction targets;
 - (iii) Estimated emission reduction or removals achieved from implementation of mitigation policies and measures;
 - (iv) Methodologies used and assumptions made in quantifying emissions reductions or removals;
 - (v) Information on the provision of financial resources and support to technology transfer and capacity building for developing country Parties;
 - (vi) Use of international emissions trading or other offsets.
- (c) Developed country Parties shall continue submitting their national communications regularly, in intervals between three and five years; information to be provided as part of the national communication shall be based on the current reporting requirements under the Convention, with possible additional reporting elements to be specified in the guidelines referred to in the paragraph above.

20. The information reported by developed country Parties in accordance with the paragraph above shall be subject to enhanced verification procedures, building on the experience with the reporting and review process under the Convention and related instruments. Verification procedures shall include technical reviews of GHG inventories by expert review teams, in-depth reviews of national communications by expert review teams, periodic considerations of the reported information by Subsidiary Bodies under the Convention, and other procedures as appropriate, in accordance with existing and any further guidelines to be adopted by the Conference of the Parties at its XX session.

21. The role of land use, land-use change and forestry in meeting quantified economy-wide emission reduction objectives should be in accordance with guidelines to be adopted by the Conference of the Parties.

22. Procedures for measurement, reporting and verification of enhanced mitigation action by developed country Parties shall take into account specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, consistent with Article 4, paragraph 8 of the Convention.¹

23. [Principles, modalities, rules and guidelines to promote compliance with commitments by developed country Parties should 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 1 Parties. Depending on the results of the negotiations, the terms used in this context may need to be made consistent.

Agrees that

24. Developing country Parties, in the context of sustainable development, will undertake nationally appropriate mitigation actions, enabled and supported by finance, technology and capacity building. The

¹ Note from the Chair: 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.

extent to which these Parties will implement mitigation actions will depend on effective provision of finance, technology and capacity-building support as embodied in Article 4.7 of the Convention. Developing country Parties will also undertake domestically funded mitigation actions in accordance with their respective capacities. Least developed country Parties and small island developing states may undertake nationally appropriate mitigation action at their discretion.

25. Developing country Parties will implement the mitigation actions submitted to the secretariat in the format of Appendix II, consistent with Articles 4.1 and 4.7 and in the context of sustainable development.

26. Mitigation actions listed in paragraph 24 and 25 above will aim at achieving in aggregate a substantial deviation in emissions relative to the business as usual emissions in 2020.

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

28. Nationally appropriate mitigation actions seeking international support along with relevant technology, finance and capacity building support, will be recorded in a mechanism referred to in paragraph 40 below.

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

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

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

32. Developing country Parties shall prepare and submit national communications to the Conference of the Parties every six years in accordance with article 12.1 of the Convention, supported by finance technology and capacity-building and based on revised guidelines to be adopted by the Conference of the Parties at its XX session. Least developed country Parties and small island developing States may submit national communications at their discretion.

33. Developing country Parties shall also prepare and submit biennially [beginning in 20XX], following elements to the Conference of the Parties:

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

34. Least developed country Parties and small island developing states may prepare and submit elements listed in paragraph 8 above, at their discretion.

35. International consultation and analysis shall apply to national communications in the context of paragraph 32 and elements in paragraph 33 above. It should be a facilitative, technical, and confidence building process, undertaken in accordance with clearly defined guidelines described in paragraphs 36 and 37 below and based on the following guiding principles:

- (a) Party driven process that respects national sovereignty;

- (b) Based on technical expertise, including the involvement of experts of the country concerned;
- (c) Carried out in the spirit of mutual respect, aimed at promoting better understanding and information sharing.

36. The analysis in the context of paragraph 35 above will be undertaken by an independent panel of experts, representing all regions, for consideration of the SBI.

37. International consultation of the result of the analysis in the context of paragraph 35-36 above will take place under the auspices of the SBI.

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

Note from the Chair: Parties may wish to consider what steps need to be taken to ensure enhanced support for measurement, reporting and verification.

39. Developed country Parties shall provide new and additional financial resources, technology and institutional capacity-building support for nationally appropriate mitigation actions on the basis of agreed full incremental costs, in accordance with Article 4, paragraphs 3 and Article 11, paragraph 5, of the Convention.

Decides

40. To establish a mechanism to record nationally appropriate mitigation actions for which developing countries are seeking support and to facilitate matching and recording of support by developed country Parties, for each of those actions, pursuant to the provisions presented in chapter VI.

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.

41. To request the SBI at its thirty-fourth session to prepare guidelines in the context of paragraphs 32-37 above for consideration and adoption by the Conference of the Parties at its seventeenth session.

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

Recognizes

42. The crucial role of reducing emission 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,¹ to enable the mobilization of financial resources from developed countries.

Agrees that

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

- (a) Reducing emissions from deforestation;

¹ 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”.

- (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

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

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

46. 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].

47. 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 X.

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

Note from the Chair: In order to prepare a revised text on this issue, the Chair wishes to complete this section after informal discussions on this topic have been concluded at the tenth session of the AWG-LCA. This section will be included in the complete version of this document.

6. Economic and social consequences of response measures

Decides

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

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

Agrees that

49. 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.

50. 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.

51. 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

52. 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

53. 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, that will be guided by a country-driven approach and be based on national circumstances and priorities, consisting of:

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

F. Enhanced action on capacity-building

Agrees that

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

Decides that

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

G. Review

56. 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.

57. 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.

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

59. 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 57: 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 58: Parties may wish to consider whether the action to be taken on the basis of the review should be further specified.

Note from the Chair on paragraph 59: Regarding the frequency of the reviews, Parties may wish 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. 13, option 1)
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 25)
Nationally appropriate mitigation actions of developing country Parties

Non-Annex I	Actions

Appendix X (in relation to para. 13, option 2)
[To be elaborated]

II. Enhanced action on adaptation

Note from the Chair: the paragraphs below contain further provisions on enhanced action on adaptation referred to in paragraph 12 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, especially in those that are particularly vulnerable;]
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;
 - (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];

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.

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

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

Option 2:

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

7. *Decides* to strengthen, enhance and better utilize existing institutional arrangements and expertise under the Convention [, to establish an Adaptation Committee³ under the Convention, with equitable representation of Parties, elaborate and adopt modalities at its seventeenth session,] [and to consider the need for new institutional arrangements, including for a Subsidiary Body for Adaptation or an Advisory Body,] in order to guide [, supervise,] support [, administer and monitor] the implementation of the Adaptation Framework [for Implementation] and, inter alia:

- (a) To provide scientific advice and technical support to Parties, respecting the country-driven approach, including for:
 - (i) Undertaking risk, vulnerability and adaptation assessments, and adaptation planning;
 - (ii) Developing broad guidance for undertaking vulnerability and adaptation assessments, and developing national adaptation plans and strategies;
 - (iii) Implementing adaptation actions;
 - (iv) Integrating adaptation actions into sectoral and national planning and other ways to enable climate-resilient development;
- (b) To support the assessment of adaptation needs [and adaptive capacity] of developing country Parties, including needs related to finance, technology[, compensation for loss and damage resulting from sudden and gradual impacts of climate change] [, insurance] [, including micro-insurance,] and capacity-building;
- (c) To strengthen, consolidate and enhance the sharing of information, knowledge, including traditional knowledge, experience and good practices, at local, national, regional and international levels, consistent with the relevant international agreements, by creating forums where different public and private stakeholders can discuss concrete challenges;
- (d) To encourage, enable, and support:
 - (i) Regional and international organizations and institutions to enhance adaptation action, including through funding adaptation activities, strategies and programmes;
 - (ii) The creation of partnerships between a range of stakeholders in developing and developed country Parties, with a view to enhancing the development and transfer of technologies for adaptation and the implementation of adaptation action;
- (e) To strengthen the catalytic role of the Convention;
- (f) To support the development and enhancement of endogenous capacities, facilitating the removal of barriers and enhancing accessibility, affordability, appropriateness and adaptability of technologies for adaptation;
- (g) To receive, evaluate and approve the applications of financial support from developing country Parties for the implementation of adaptation projects, programmes and actions; and to provide such financial support through the financial mechanism;
- (h) To support and promote the implementation of the Adaptation Framework [for Implementation] in all countries, particularly developing country Parties, at the most appropriate level, recognizing the important roles of state and regional governments;
- (i) To plan, organize, coordinate, monitor and evaluate international actions on adaptation, including the means of implementation;

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

- (j) To consider information communicated through the monitoring, review and reporting of [the provision of means of] implementation [and] [of] adaptation actions;

8.

Option 1:

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

Decides to elaborate modalities and procedures for the international mechanism to address loss and damage, for adoption by the Conference of the Parties at its sixteenth 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,⁵ 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;

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;

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

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

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.]]

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

Agrees that

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

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

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

Note from the Chair: In the course of negotiations, Parties noted the work undertaken by the Advisory Group on Finance convened by the Secretary General of the United Nations. Parties may wish to consider how best to reflect this input in the text.

Takes note of

5. The collective commitment by developed countries to provide new and additional resources, including in forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa.

Decides that

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

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

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

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

10. The new fund shall be governed by a board nominated by the Conference of the Parties at COP 17 on the basis of *criteria to be determined at COP 16*. The board shall have an [equitable and balanced][equal] representation of developed country Parties and developing country Parties.

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

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

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

13. The new fund shall be serviced by a trustee and a secretariat. Selection of the trustee and the permanent secretariat shall be made at COP 17 on the basis of *criteria to be determined at COP 16*. The [XX] is invited to be the interim secretariat.

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

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

15.

Option 1 to the chapeau:

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

Option 2 to the chapeau:

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

- (a) Provide guidance to, and ensure accountability to the Conference of the Parties of, all operating entities of the financial mechanism;
- (b) Improve coherence, coordination, efficiency and effectiveness by encouraging all operating entities and other delivery channels to avoid duplication of efforts and to harmonize application, measurement and reporting procedures;

- (c) Assess the needs for international finance to support activities to address climate change and study the contribution of the potential sources of revenue, including alternative sources of finance, towards meeting these needs;
- (d) Recommend a balanced allocation of funding across thematic areas of the operating entities of the financial mechanism based on the information provided by all operating entities.
- (e) Recommend to operating entities modalities that provide simplified, improved, effective and equitable access to financial resources in a timely manner, including direct access;
- (f) Recommend modalities to measure, report and verify the support provided to developing country Parties for enhanced action in developing countries;

Note from the Chair: if option 1 is pursued, the following three paragraphs should be considered:

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

15 ter. The new body shall consist of [x] members nominated by the Conference of the Parties at COP 17 on the basis of criteria to be determined at COP 16, with an equitable and balanced representation of all Parties

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

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

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

IV. Enhanced action on technology development and transfer

Note from the Chair: In order to prepare a revised text on this issue, the Chair wishes to complete this chapter after informal discussions on this topic have been concluded at the tenth session of the AWG-LCA. This chapter will be included in the complete version of this document.

V. Enhanced action on capacity-building

Text as contained in chapter IV of FCCC/AWGLCA/2010/6

VI. Nationally appropriate mitigation actions by developing country Parties: mechanism to record nationally appropriate mitigation actions and facilitate provision and recording of support

Text as contained in chapter V of FCCC/AWGLCA/2010/6

VII. 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

Text as contained in chapter VI of FCCC/AWGLCA/2010/6

VIII. Economic and social consequences of response measures

Text as contained in chapter VII of FCCC/AWGLCA/2010/6

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

Note from the Chair: In order to prepare a revised text on this issue, the Chair wishes to complete this chapter after informal discussions on this topic have been concluded at the tenth session of the AWG-LCA. This chapter will be included in the complete version of this text.

X. Cooperative sectoral approaches and sector-specific actions in agriculture

Text as contained in chapter IX of FCCC/AWGLCA/2010/6
