

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

**Thirteenth session**

**Cancun, 29 November 2010–\***

Agenda item 3

**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**

**Possible elements of the outcome**

**Note by the Chair**

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\* To continue for as long as necessary, as per document FCCC/AWGLCA/2010/3, paragraph 25.

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## Introduction

1. The Chair of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) made available on 24 November 2010 a note prepared under her own responsibility on possible elements of the outcome.<sup>1</sup> This note had no formal status and was not meant to replace the negotiating text before the thirteenth session of the AWG-LCA contained in document FCCC/AWGLCA/2010/14. It was a contribution for Parties to use as they saw appropriate.
2. The present document reflects the effort by the Chair, in consultation with facilitators, to capture progress made during the first week of the thirteenth session of the AWG-LCA. This document is prepared under the responsibility of the Chair and has no formal status in the negotiations.
3. This document is made available to Parties in the hope that it will facilitate convergence on an outcome to be presented to the Conference of the Parties at its sixteenth session.
4. Consultations with Parties during the twelfth session of the AWG-LCA in Tianjin on their expectations for the outcome revealed that there had emerged a shared desire for a balanced outcome in Cancun across all elements of the Bali Action Plan that will not prejudge prospects for, or the content of, a legally binding outcome in the future and that respects the two-track approach. The elements of such a package would need to be advanced to a comparable level of detail.
5. The Chair stands ready to continue to respond to Parties' call for the Chair to lead and guide the work of the AWG-LCA and to help Parties in resolving outstanding issues during the session as the AWG-LCA moves closer and closer to the desired balance.

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<sup>1</sup> FCCC/AWGLCA/2010/CRP.1

*The Conference of the Parties*

[Preamble]

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

1. *Affirms* that all Parties share a vision for long-term cooperative action in order to achieve the objective of the Convention under its Article 2, including through achievement of a global goal, on the basis of equity and in accordance with common but differentiated responsibilities and respective capabilities; this vision is to guide the policies and actions of all Parties, while taking into consideration the different circumstances of Parties in accordance with the principles and provisions of the Convention; the vision addresses mitigation, adaptation, finance, technology development and transfer, and capacity-building in a balanced, integrated and comprehensive manner to enable the full, effective and sustained implementation of the Convention, now, up to and beyond 2012;

2. *Further affirms* that:

(a) Scaled-up overall mitigation efforts that allow for the achievement of desired stabilization levels are necessary, with developed country Parties showing leadership;

(b) Adaptation must be addressed with the same priority as mitigation and requires appropriate institutional arrangements to enhance adaptation action and support;

(c) All Parties should cooperate, consistent with the principles of the Convention, through effective mechanisms, enhanced means and appropriate enabling environments, and enhance technology development and the transfer of technologies to developing country Parties to enable action on mitigation and adaptation;

(d) Mobilization and provision of scaled up, new, additional, adequate and predictable financial resources is necessary to address the adaptation and mitigation needs of developing countries;

(e) Capacity-building is essential to enable developing country Parties to participate fully in, and to implement effectively their commitments under, the Convention; the goal is to enhance the capacity of developing country Parties in all areas;

3. *Recognizes* that warming of the climate system, as a consequence of human activity, is unequivocal, as assessed by the Intergovernmental Panel for Climate Change in its Fourth Assessment Report;

4. *Further recognizes* that deep cuts in global emissions are required according to science, and as documented in the Fourth Assessment Report, with a view to reducing global greenhouse gas emissions so as to hold the increase in global average temperature below 2 degrees Celsius above pre-industrial levels, and decides that Parties should take urgent action to meet this objective consistent with science and on the basis of equity;

5. *Also decides* that Parties should cooperate in achieving the peaking of global and national emissions as soon as possible, recognizing that the time frame for peaking will be longer in developing countries and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-emission development strategy is indispensable to sustainable development;

6. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to consider other numerical expressions of the long-term global goal,

including the timing for peaking of global emissions, stabilization of greenhouse gas concentrations in the atmosphere and the required reductions of greenhouse gas emissions, as well as further elements to frame this goal, including in relation to Parties' responsibilities and equitable access to global atmospheric space;

## II. Enhanced action on adaptation

7. *Acknowledges* that 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 country Parties, taking into account the urgent and immediate needs of those developing country Parties that are particularly vulnerable to the adverse effects of climate change;

8. *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;

9. *Establishes* an Adaptation Framework encompassing the provisions laid out below with the objective of enhancing action on adaptation, including through international cooperation, and coherent consideration of matters relating to adaptation under the Convention;

10. *Invites* all Parties to enhance action on adaptation, taking into account their common but differentiated responsibilities and respective capabilities, and specific national and regional development priorities, objectives and circumstances, by undertaking, inter alia:

(a) Planning, prioritizing and implementing adaptation actions, including projects and programmes,<sup>1</sup> and actions identified in national and subnational adaptation plans and strategies, national adaptation programmes of action of the 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, taking into consideration the Hyogo Framework for Action<sup>2</sup> where appropriate, early warning systems, risk assessment and management, and sharing and transfer mechanisms such as insurance, at local, national, subregional and regional levels, as appropriate;

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

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

(f) Measures to enhance understanding, coordination and cooperation with regard to climate change induced displacement, migration and planned relocation, where appropriate, at national, regional and international levels;

(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 research and systematic observation for climate data collection, archiving, analysis and modelling in order to provide decision makers at national and regional levels with improved climatic-related data and information;

11. *Decides* to establish a process to enable least developed country Parties and other interested developing country Parties that are particularly vulnerable to the adverse effects of climate change to formulate and implement national adaptation plans, building upon the experience of the least developed country Parties in preparing and implementing national adaptation programmes of action, as a means of identifying medium and long-term adaptation needs and developing and implementing strategies and programmes to address those needs;

12. *Requests* the Subsidiary Body for Implementation to elaborate modalities and guidelines for the formulation of the above-mentioned national adaptation plans, for adoption by the Conference of the Parties at its seventeenth session;

13. *Requests* developed country Parties to provide developing country Parties with the necessary finance, technology, and capacity-building, consistent with chapter IV of this decision, 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, as well as to undertake the activities referred to in paragraphs 10–11 above and paragraphs 19, 21 and 22 below;

14. *Decides* that the modalities for the operation of the new fund established under the Convention, as referred to in section IV.A should be developed with a view to simplifying access to financial support for adaptation and making it expeditious and direct, with priority given to particularly vulnerable developing country Parties;

15. *Acknowledges* the need to strengthen, enhance and better utilize existing institutional arrangements and expertise under the Convention;

16. *Decides* to establish an Adaptation Committee or some other possible institutional arrangement with a view to

Option 1: Providing coherence in the implementation of enhanced action on adaptation and strengthening, enhancing and better utilizing existing institutional arrangements and expertise under the Convention, including through:

Option 2: Improving coherence in the consideration of adaptation matters under the Convention with the aim of facilitating enhanced action on adaptation, including through:

(a) Providing scientific advice and technical support to Parties, respecting the country-driven approach, with a view to facilitating the implementation of the activities listed in paragraphs 10–11 of this decision, where 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) Cooperating with national, regional and international organizations, centres and networks, to enhance the implementation of adaptation actions, in particular in developing country Parties, including through the creation of partnerships between a range of stakeholders in developed and developing country Parties;

(d) Facilitating the matching of support between adaptation actions seeking support and support to be provided, including finance, technology and capacity-building;

(e) Considering information communicated by Parties on their monitoring and review of adaptation actions, support provided and received and other relevant information, as referred to in paragraph 22 of this decision, and recommending further action, as appropriate.

17. *Recognizes* the need to strengthen international cooperation and expertise to understand and reduce loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events;<sup>3</sup>

18. *Requests* the AWG-LCA to consider arrangements to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change, including arrangements related to risk management and risk sharing and transfer mechanisms such as insurance, as appropriate; taking into account the proposed functions contained in Annex I and to make recommendations on this matter to the Conference of the Parties for its consideration at its seventeenth session;

19. *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 flow of information between the Convention process and national and regional activities;

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

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

22. *Decides* that all Parties should use existing channels to provide information, as appropriate, on support provided and received for adaptation actions in developing countries pursuant to Article 12, paragraph 3, of the Convention and on activities undertaken, including progress made, experiences and lessons learned, with a view to identifying insufficiencies and discrepancies of support and to ensure transparency and mutual accountability;

23. *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, including under the Adaptation Framework, as appropriate, in a coherent and integrated manner, building on synergies among activities and processes, and to make available information on the progress made;

24. *Requests* the secretariat to support the implementation of the Adaptation Framework, including related institutional arrangements under the Convention, in accordance with its mandate and subject to the availability of resources;

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

### III. Enhanced action on mitigation

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

- (a) Developed countries<sup>4</sup> to implement quantified economy-wide emission reduction

*Option 1:* targets

*Option 2:* commitments

- (b) Information provided on quantified economy-wide emission reduction targets is listed in

*Option 1:* Annex to this decision

*Option 2:* Information paper

- (c)

*Option 1:* Developed countries urged to increase the level of ambition

Launch process, for example through submissions and workshops, to clarify assumptions and conditions in pledges, without prejudice to the final form of the outcome or the relationship to the Kyoto Protocol.

*Option 2:* Developed country Parties will reduce aggregate emissions by a specified percentage.

For Parties to the Kyoto Protocol, the quantified economy-wide emission limitation and reduction commitments will be those adopted under an amended Annex B of the Kyoto Protocol.

Developed countries that are not Party to the Kyoto Protocol will adopt commitments that are comparable with those of the Kyoto Protocol Parties with respect to the level of effort, legal form, technical aspects, MRV and compliance regime.

Launch process to negotiate an overall level of ambition for aggregate emission reductions and individual targets, with a view to strengthen commitments and to finalize them as part of a future legally binding agreement.

*Option 3:* Developed countries to implement the listed economy-wide emission targets

- (d) Developed countries to develop low-emission development strategies

- (e) Enhance reporting and review of fulfilment of commitments with the aim to ensure that accounting of emissions is rigorous, robust, comparable, and transparent

*Option 1:* taking into account relevant rules under the Kyoto Protocol;

*Option 2:* applying Kyoto Protocol rules;

*Option 3:* by more focus on progress in achievement of emission targets within the current reporting and review process ;

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<sup>4</sup> 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.



- (f) Continue annual reporting and review of GHG inventories as well as periodic reporting and review of national communications
- (g) Enhance reporting of the provision of financial, technological and capacity-building support to developing country Parties;
- (h) Introduce a new biennial submission of detailed information on progress in achieving emission commitments, targets and actions, GHG inventories, mitigation actions planned, and detailed information on the provision of financial, technology and capacity-building support to developing country Parties;
- (i) Launch a process to revise guidelines for national communications, including the development of guidelines for the biennial submission;
- (j) Enhance the current process of reviewing national communications from developed country Parties by adding provisions to consider progress in the achievement of mitigation commitments, and in the provision of financial, technological and capacity-building support to developing countries;

*Option 1:* through a multilateral process under the Convention, in a manner that

- (i) is facilitative and non-punitive;
- (ii) fully respects national sovereignty;
- (iii) increases the transparency of mitigation actions;

Launch a process to develop modalities and guidelines for the multilateral process;

*Option 2: through a compliance process*

Launch a process to develop modalities and guidelines for the compliance process;

*Other considerations:*

- Dedicated work programme for the development of various modalities and guidelines;

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

- (a) Developed country Parties to provide enhanced financial, technological and capacity-building support for development and implementation of nationally appropriate mitigation actions of developing country Parties and for enhanced reporting by these Parties;
- (b) Developing countries to implement nationally appropriate mitigation actions, recognizing that the extent of action depends on support provided;
- (c) Information on mitigation actions submitted to date and any future submissions reflected in:

*Option 1:* Annex to this decision;

*Option 2:* Information paper;

*Option 3:* Registry;

*Option 4:* National communications;

- (d) Invite developing countries to submit information on their mitigation actions and any support needed;

- (e) Approach to reflecting information, and reporting and consideration of national communications will depend on;
- Option 1:* Emission levels of a Party, for example those contributing more than 1 per cent to the share of global greenhouse gas emissions;
- Option 2:* Characteristics of action;
- Option 3:* Groupings in the Convention;
- (f) Launch a process, for example through submissions and workshops, to understand diversity of mitigation actions submitted and support needed, noting different national circumstances of developing countries;
- (g) Set up a registry to record nationally appropriate mitigation actions in order to facilitate matching of finance, technology and capacity-building support to these actions, and to record support provided;
- (h) Launch a process to develop modalities for the registry, any functional relationship to the financial mechanism, and verification of support provided;
- (i) Developing countries to develop low-emission development strategies;
- (j) Agree that domestically supported mitigation actions will be:
- Option 1:* Verified domestically in accordance with general guidelines under the Convention and develop general guidelines for domestic verification;
- Option 2:* Measured, reported and verified on a voluntary basis;
- (k) Agree that internationally supported actions will be measured, reported and verified in accordance with requirements of entity providing support, including any funds established under the Convention;
- (l) Enhance reporting in national communications from non-Annex I Parties on mitigation actions and support received;
- (i) The content, periodicity and consideration of national communications from non-Annex I Parties will not be more onerous than that of national communications of Annex I Parties and will provide flexibility for least developed country Parties and small island developing States;
- (ii) Introduce biennial submission of GHG inventories and information on mitigation actions;
- (m) Develop guidelines for biennial submissions as part of revision of guidelines for national communications of non-Annex I Parties;
- (n)
- Option 1:* Agree to consider national communication or biennial submissions in a multilateral process under the Convention, after technical analysis by experts, in a manner that
- (i) is facilitative and non-punitive;
- (ii) fully respects national sovereignty;
- (iii) increases transparency of mitigation actions;
- Launch a process to develop modalities and guidelines for such consideration;
- Option 2:* International consultation and analysis process;
- Option 3:* No process for international consultation and analysis;

*Other considerations:*

- Dedicated work programme for development of various modalities and guidelines.

**C. 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**

[*Affirming* that, in the context of appropriate provision of support, all Parties shall collectively aim to slow, halt and reverse forest cover and carbon loss, consistent with the ultimate objective of the Convention, as stated in Article 2, and consistent with the long-term global goal referred to in paragraph 4 above;]

25. Encourages all Parties to find effective ways to reduce the human pressure on forests that results in greenhouse gas emissions;

26. Affirms that the implementation of the activities referred to in paragraph 27 below should be carried out in accordance with annex II to this decision, and that the safeguards referred to in paragraph 2 of annex II to this decision should be promoted and supported;

27. Decides that developing country Parties [should] [may voluntarily] contribute to mitigation actions in the forest sector by undertaking 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;

28. *Requests* developing country Parties aiming to undertake the activities referred to in paragraph 27 above, provided that [financial and technological] support is made available, in accordance with national circumstances and respective capabilities, to develop the following elements:

- (a) A national strategy or action plan;
- (b) A national forest reference emission level and/or forest reference level, or, if appropriate, as an interim measure, subnational forest reference emission levels and/or forest reference levels, in accordance with national circumstances, and with provisions contained in decision 4/CP.15, and with any further elaboration of those provisions adopted by the Conference of the Parties;
- (c) A robust and transparent national forest monitoring system for the monitoring and reporting of the activities referred to in paragraph 27 above,

[*Option 1:* and the safeguards referred to in paragraph 2 of annex II to this decision]

[*Option 2:* including information on how the safeguards referred to in paragraph 2 of annex II to this decision are addressed],

with, if appropriate, subnational monitoring and reporting as an interim measure,<sup>5</sup> in accordance with national circumstances, and with the provisions contained in decision 4/CP.15, and, with any further elaboration of those provisions agreed by the Conference of the Parties;

29. *Requests* developing country Parties, when developing and implementing their national strategies or action plans, 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 of annex II to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities;

30. *Decides* that the activities undertaken by Parties referred to in paragraph 27 above should 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 that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified;

31. *Recognizes* that the implementation of the activities referred to in paragraph 27 above, including the choice of a starting phase as referred to in paragraph 30 above, depends on the specific national circumstances, capacities and capabilities of each developing country Party and the level of support received;

32. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop a work programme on the matters referred to in annex III to this decision;

33.

[Option 1:]

*Requests* the promotion and implementation of all the activities referred to in paragraphs 27 and 28 above, including consideration of the safeguards referred to in annex II to this decision, and early action, be supported in accordance with paragraph 1 of annex II to this decision and relevant provisions agreed by the Conference of the Parties, including:

- (a) For enhanced action on the provision of financial resources and investment;
- (b) Opportunities for using markets, as well as a flexible combination of funds and market-based sources;
- (c) Through existing multilateral and bilateral channels;]

[Option 2:]

*Urges* Parties, in particular developed country Parties, to support, through existing multilateral and bilateral channels, 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, as appropriate, subnational strategies, including consideration of the safeguards referred to in paragraph 2 of annex II to this decision, taking into account the relevant provisions on finance;

*Requests* [AWG-LCA] [SBI] to explore financing options for the full implementation of the results-based actions referred to in paragraph 30 above, and to

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<sup>5</sup> Including monitoring and reporting of emissions displacement at the national level, if appropriate, and reporting on how displacement of emissions is being addressed

report on progress made, including any recommendations for draft decisions on this matter, to the Conference of the Parties at its seventeenth session;]

*[Option 3:*

*Decides* that the activities referred to in paragraph 27 undertaken by developing country Parties and the relevant phase of implementation referred to in paragraphs 29 and 30 do not constitute the establishment or use of a market mechanism.]

34. *Requests* Parties to ensure coordination of the activities referred to in paragraph 27 above, including of the related support, particularly at the national level;

35. *Invites* relevant international organizations and stakeholders to contribute to the activities referred to in paragraphs 27 and 34 above;

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

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

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

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

*Affirming* that cooperative sectoral approaches and sector-specific actions in the agriculture sector should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, in accordance with Article 3, paragraph 5, of the Convention;

36. *Decides* that cooperative sectoral approaches and sector-specific actions should be consistent with the 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;

37. *Decides* that all Parties, with respect to the agriculture sector and taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, should promote and cooperate in the research, development, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases, particularly those that improve the efficiency and productivity of agricultural systems in a sustainable manner and those that could support adaptation to the adverse effects of climate change, thereby contributing to safeguarding food security and livelihoods;

38. *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 31 above;

39. *Invites* Parties to submit to the secretariat, by 22 March 2011, their views on the content and scope of the work programme;

40. *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;
41. *Recognizes* that the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued working through ICAO and IMO, respectively, setting global emission reduction targets on a scale consistent with the long-term global goal as defined in paragraph 4 above;
42. *Further recognizes* that global policy frameworks should be developed without delay by ICAO and IMO, taking into account the principles and provisions of the Convention and in accordance with their respective principles and customary practices, provided that the implementation of such policy frameworks would not lead to competitive distortions or carbon leakage and that revenues generated would support mitigation and adaptation actions in developing countries;
43. *Invites* ICAO and IMO 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 their activities, policy approaches and measures relevant to paragraph 41 above;

**E. 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**

44. *Affirms* that various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, should be guided by the principles set out in annex IV to this decision;
45. *Decides* to consider, at its seventeenth session, the establishment, as a market-based approach, of one or more mechanisms, in accordance with, inter alia, the principles referred to in paragraph 44 above;
46. *Requests* AWG-LCA to undertake further work on the mechanisms referred to in paragraph 45 above, with a view to recommending draft decisions to the Conference of the Parties for adoption at its seventeenth session;
47. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 22 March 2011, their views on the matters referred to in paragraph 46 above;
48. *Undertakes*, in developing and implementing any mechanisms as referred to in paragraph 45 above, to maintain, build upon and improve existing mechanisms, including those established under the Kyoto Protocol;
49. *Decides* to consider, at its seventeenth session, the establishment, as a non market based approach, of one or more mechanisms, in accordance with, inter alia, the principles referred to in paragraph 44 above;
50. *Requests* the AWG-LCA to undertake further work on the mechanisms referred to in paragraph 49 above, with a view to recommending draft decisions to the Conference of the Parties for adoption at its seventeenth session;
51. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 22 March 2011, their views on the matters referred to in paragraph 50 above;
52. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 22 March 2011, information on the evaluation of various approaches in enhancing the

cost-effectiveness of, and promoting, mitigation actions, including activities implemented jointly under Article 4, paragraph 2(a), of the Convention and any other relevant activities;

53. *Encourages* Parties and intergovernmental organizations to pursue readiness activities, including capacity-building initiatives in developing country Parties, to enable participation in various approaches aiming at promoting mitigation actions;

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

54. *Recognizes* that addressing unintended side effects of implementing climate change response measures is a challenge faced by all Parties and that enhanced action and international cooperation on the impact of the implementation of response measures is required to further knowledge and understanding of the matter and to minimize the adverse impacts on the developing country Parties listed in Article 4, paragraphs 8, 9 and 10, of the Convention, thus responding to the specific needs of those countries and helping to reduce vulnerability and build resilience in the affected countries and their respective economies;

55. *Affirms* that enhanced action on the impact of the implementation of response measures should be undertaken in accordance with the Convention, in particular, with Articles 2, 3 and 4, taking into consideration vulnerable groups, economies and sectors, and be based on and guided by the best available science, with a view to integrating response measure related aspects into relevant economic, environmental and social policies and actions, where appropriate, and building on existing arrangements and the work of expert groups;

56. *Decides* that policies and measures taken by developed country Parties to combat climate change should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, in line with Article 3, paragraph 5, of the Convention, against developing country Parties, based on the legitimate needs of developing country Parties to achieve sustained economic growth and eradication of poverty;

57. *Urges* developed country Parties to strive to implement policies and measures to respond to climate change in such a way as to avoid consequences for developing country Parties, taking into account Article 3 of the Convention, to assist these Parties in addressing such consequences, by providing support, including financial resources, in accordance with Article 4 of the Convention, and to ensure a just transition of the workforce and economies;

58. *Decides* to provide a forum on the impact of the implementation of response measures and to that end requests the Chairs of the SBSTA and the SBI to convene a forum at the thirty-fourth and thirty-fifth sessions of these bodies, with the objective of developing a work programme under the subsidiary bodies to address the impact of the implementation of response measures, taking into account the elements included in annex V to this decision with a view to adopting, at the seventeenth session of the Conference of the Parties, modalities for the operationalization of the work programme;

59. *Invites* Parties and relevant intergovernmental organizations to submit to the secretariat, by 28 March 2011 their views on the issues referred to in paragraph 58 above for consideration by the SBI and the SBSTA at their thirty-fourth sessions of the subsidiary bodies;

## IV. Finance, technology and capacity-building

### A. Finance

- *Option 1:* Parties take note of the collective commitment by developed countries to provide new and additional resources, including 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;

*Option 2:* Parties take note of the collective commitment by developed countries to provide new and additional resources approaching USD 30 billion for the period 2010–2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized in accordance with paragraph 1 (c) (i) of the Bali Action Plan;

- To enhance transparency, developed country Parties are invited to provide to the secretariat, on an annual basis, information on the resources disbursed to fulfill this commitment in accordance with existing guidelines for reporting<sup>6</sup> on support provided;
- Scaled up, new and additional, predictable and adequate funding shall be provided to developing country Parties;
- *Option 1:* Developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion dollars per year by 2020 to address the needs of developing countries;

*Option 2:* Developed country Parties and other parties included in Annex II to the Convention commit to provide 1.5% of their GDP per year by 2020 to address the needs of developing countries;

- The main/major source of funding will be assessed/indicative contributions by developed country Parties and other parties included in Annex II to the Convention;
- A substantial share of these funds will flow through the new fund;
- In accordance with paragraph 1(e) of the Bali Action Plan, funds may come from a wide variety of sources, public and private, bilateral and multilateral, including innovative sources of finance;
- Parties decide to launch a process to review the needs of developing countries for financial resources to address climate change and identify options for mobilization of those resources;
- *Option 1:* Parties take note of the report of the High-Level Advisory Group on Climate Change Financing established by the UN Secretary-General;

*Option 2:* Parties take note of all relevant reports on financial needs of developing countries to address climate change and on options for mobilization of those resources;

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<sup>6</sup> Section VIII, Part II of Guidelines for the Preparation of National Communications by Parties Included in Annex I of the Convention (document FCCC/CP/1999/7).



- Option 1: To establish the XX fund under the Convention;
- Option 2: That a new fund will be established;  
to support projects, programmes, policies and other activities related to mitigation, REDD-plus, adaptation, capacity-building and technology development and transfer in developing country Parties using thematic funding windows;
- Option 1: The Board of the new fund shall be the operating entity of the fund;
- Option 2: The new fund shall be an operating entity of the financial mechanism of the Convention;
- Option 1: The new fund shall be governed by a board of XX members comprising an equal number of members from developing and developed country Parties;
- Option 2: The new fund shall be governed by a board of XX members with equitable and balanced representation of all Parties within a transparent system of governance;
- Option 1: The World Bank is invited to serve as the interim trustee of the fund, subject to a review after one year of operationalization of the new fund;
- Option 2: The trustee of the new fund shall be selected through a process of open and competitive bidding;
- The operations of the fund shall be supported by an independent or a contracted secretariat;
- The XX is invited to be the interim secretariat for the design phase of the new fund, with participation of experts from relevant institutions, including multilateral development banks, UN agencies, private sector and civil society, in accordance with the terms of reference to be agreed;
- Option 1: To establish an Ad Hoc Committee of XX members nominated by the COP with the necessary experience and skills with balanced and equitable representation to design and operationalize the XX fund, including inter alia its rules of procedures, strategic priorities, policies and guidelines, direct access modality and legal arrangements for the operationalization of the new fund by the COP at its seventeenth session;
- Option 2: Welcomes/invites Party X/and Party Y to convene a series of meetings open to all Parties, led by finance ministries, to prepare a governing instrument and other documents needed to establish the fund and a process to elect the Board, and to present a memorandum of understanding to the COP at its seventeenth session;
- To establish a new body under the COP to assist it in exercising its functions with respect to the financial mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism, mobilization of financial resources and the measurement, reporting and verification of support provided to developing country Parties. Launch a process to further define the roles and functions of this new body;

## **B. Technology development and transfer**

*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 an early and rapid reduction in emissions and the urgent need to adapt to the adverse impacts of climate change require 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,

60. *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;

61. *Also decides* that, in pursuit of this objective, technology needs must be nationally determined, based on national circumstances and priorities;

62. *Decides* 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 referred to in this decision as technology development and transfer) in support of action on mitigation and adaptation;

63. *Decides* to establish a Technology Mechanism to catalyse actions for achieving the objective referred to in paragraphs 60–62 above, under the guidance of, and accountable to, the Conference of the Parties, which will consist of the following components:

(a) A Technology Executive Committee to undertake the functions contained in paragraph 67 below;

(b) A Climate Technology Centre and Network to undertake the functions contained in paragraph 69 below;

64. *Decides* that the implementation of the Technology Mechanism shall take into account the activities and/or outcomes of the activities eligible for support as described in annex VI to this decision and shall be funded by the financial mechanism;

65. *Decides* that the Technology Executive Committee shall be responsible for the further development and effective implementation of the Technology Mechanism under the guidance of the Conference of the Parties;

66. *Also decides* that the Technology Executive Committee shall further implement the framework for meaningful and effective actions to enhance the implementation of Article 4, paragraph 5, of the Convention (technology transfer framework) adopted by decision 4/CP.7 and enhanced by decision 3/CP.13, including any pending activities contained in the Expert Group on Technology Transfer's rolling programme of work for 2010–2011;

67. *Decides* that the functions of the Technology Executive Committee shall be to:

(a) Provide the Conference of the Parties, its subsidiary bodies and other relevant constituted bodies with a global overview of technological needs and an analysis of policy and technical issues related to the development and transfer of technology for mitigation and adaptation;

(b) Consider and recommend actions to the Conference of the Parties, its subsidiary bodies and other relevant constituted bodies to promote technology development and transfer in order to accelerate action on mitigation and adaptation;

(c) Recommend to the Conference of the Parties guidance on policies, programme priorities and eligibility criteria related to technology development and transfer, including activities and/or outcomes of activities eligible for technological, financial and

capacity-building support referred to in annex VI, with special consideration given to the least developed country Parties;

(d) Promote and facilitate collaboration on the development and transfer of technology for climate mitigation and adaptation between governments, the private sector, non-profit organizations and academic and research communities;

(e) Recommend necessary actions to address the barriers to technology development and transfer in order to enable enhanced action on mitigation and adaptation;

(f) Provide advice to the Conference of the Parties on the guidance to the Climate Technology Centre and Network to align the activities of the Climate Technology Centre and Network with country-driven actions;

(g) Seek cooperation with relevant international technology initiatives, relevant stakeholders and organizations, promote coherence and cooperation across technology activities, including activities under and outside of the Convention;

(h) 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;

(i) Liaise with, provide advice to and request advice from other bodies under the Convention in executing its functions;

68. *Decides* that the Technology Executive Committee shall have a mandate and composition as contained in annex VII to this decision;

69. *Decides* that the Climate Technology Centre shall have the following functions:

(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 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) Facilitate a Network of national, regional, sectoral and international technology centres, networks, organization and initiatives 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;
- (e) Performing other such activities as may be necessary to carry out its functions;

70. *Decides* to terminate the mandate of the Expert Group on Technology Transfer at the conclusion of the sixteenth session of the Conference of the Parties;

71. *Further decides* that the Technology Executive Committee shall convene its first meeting as soon as practicable following the election of its members and elaborate its own modalities and procedures taking into account the need to achieve coherence and maintain interactions with other relevant institutional arrangements under and outside of the Convention, for consideration by the Conference of the Parties at its seventeenth session;

72. *Further decides* that the Technology Executive Committee and the Climate Technology Centre and Network shall report to the Conference of the Parties through the subsidiary bodies on their activities and the delivery of their functions, with a view to enhancing the effective implementation of the Technology Mechanism and seeking guidance from the Conference of the Parties;

73. *Decides* that the Climate Technology Centre and Network and the Technology Executive Committee shall regularly interact and share information with a view to achieving coherence and synergy;

74. *Requests* the Technology Executive Committee to convene an expert workshop on the operational modalities of the Technology Mechanism in conjunction with a session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention in 2011, drawing upon the preliminary work undertaken on this matter by the Expert Group on Technology Transfer as contained in its programme of work for 2010–2011, and to report on the results of this workshop at that session;

75. *Decides* that in 2011 the Ad Hoc Working Group on Long-term Cooperative Action under the Convention will elaborate the terms of reference for the Climate Technology Centre and Network, drawing upon the advice of the Technology Executive Committee and the results of the workshop referred to in paragraph 74, for consideration by the Conference of the Parties at its seventeenth session, with a view to making the Climate Technology Centre and Network operational in 2012;

76. *Further decides* that the potential links between the Technology Mechanism and the financial mechanism will be elaborated in 2011 by the Ad Hoc Working Group on Long-term Cooperative Action under the Convention for consideration by the Conference of the Parties at its seventeenth session;

77. *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, engage in bilateral and multilateral cooperative activities on technology development and transfer and increase private and public research, development and demonstration of technologies for mitigation in relation to current levels, working towards at least a doubling

of resources for global research, development and demonstration by 2015 and increasing it to four times its current level thereafter, with a significant shift in emphasis towards safe and sustainable low greenhouse gas emitting technologies;

78. *Recognizes* the different views on intellectual property rights among Parties and the importance of continued dialogue among Parties on this matter in 2011 in the context of enhancing technology innovation and access to technologies for mitigation and adaptation;

## C. Capacity-building

*Reaffirming* that capacity-building 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,

*Recalling* the provisions related to capacity-building for developing country Parties contained in relevant decisions adopted by the Conference of the Parties, especially decision 2/CP.7,

*Acknowledging* that capacity-building is cross-cutting in nature and an integral part of enhanced action on mitigation, adaptation, technology development and transfer and access to financial resources,

*Reaffirming* that capacity-building should be a continuous, progressive and iterative process that is participatory, country-driven and consistent with national priorities and circumstances,

79. *Decides* that capacity-building support to developing country Parties should be enhanced with the objective of building, developing, strengthening, improving and enhancing, as appropriate, the subnational, national or regional capacities, skills, capabilities and institutions of developing country Parties to contribute to the achievement of the full, effective and sustained 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, with a view to enhancing the capacity to plan, prepare and implement climate change action;

(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 country Parties, through, inter alia, North-South, South-South and triangular cooperation;

(d) Strengthening climate change communication, education, training and public awareness at all levels, including at the local and community levels, taking into account gender issues;

(e) Encouraging and strengthening participatory and integrated approaches and the involvement 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;

(f) Supporting capacity-building needs identified in areas of mitigation, adaptation, technology development and transfer and access to financial resources;

(g) Supporting any other new and emerging capacity-building needs arising from efforts to enhance the full, effective and sustained implementation of the Convention.

80. *Decides* that financial resources for enhanced action on capacity-building in developing country Parties shall be provided through the operating entities of the financial mechanism, including the New Fund, and through various bilateral and multilateral channels;

81. *Decides* that developed country Parties should report, through their national communications, on support have they provided for capacity-building in developing country Parties in accordance with guidelines adopted by the Conference of the Parties;

82. *Further decides* that developing country Parties should report, through their national communications, on progress made in enhancing capacity to address climate change and on the support received;

83. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to further consider possible arrangements for enhancing the delivery of capacity-building support to developing country Parties and the monitoring and review of the effectiveness of capacity-building support provided, with a view to developing recommendations for consideration by the Conference of the Parties at its seventeenth session;

## V. Review

84. *Decides* to periodically review the adequacy of the long-term global goal referred to in paragraph 4 above, in the light of the ultimate objective of the Convention, and overall progress towards achieving it, in accordance with the relevant principles and provisions of the Convention;

85. *Further decides* that:

(a) This review should be guided by the principles of equity and common but differentiated responsibilities and respective capabilities and take into account, inter alia:

- The best available scientific knowledge, including the assessment reports of the Intergovernmental Panel on Climate Change;
- Observed impacts of climate change;
- An assessment of the overall aggregated effect of the steps taken by Parties in order to achieve the ultimate objective of the Convention;
- Consideration of strengthening the long-term global goal, referencing various matters presented by the science, including in relation to temperature rises of 1.5 degrees Celsius;

(b) The first review should start in 2013 and should be concluded by 2015;

(c) The Conference of the Parties shall take appropriate action based on the review;

86. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to further define the scope of this review and develop its modalities, including the required inputs, with a view to their adoption by the seventeenth session of the Conference of the Parties;

## VI. Other matters

**Parties included in Annex I to the Convention undergoing the process of transition to a market economy**

*Recalling* Article 4, paragraph 6, of the Convention and relevant decisions of the Conference of the Parties, especially decisions 3/CP.7 and 3/CP.13 relating to Parties included in Annex I to the Convention undergoing the process of transition to a market economy,

*Noting* that Parties included in Annex I to the Convention undergoing the process of transition to a market economy are not included in Annex II to the Convention and as such are not subject to the provisions of Articles 4, paragraphs 3 and 4, of the Convention,

*Recalling* that Article 4, paragraph 6, of the Convention provides that a certain degree of flexibility shall be allowed by the Conference of the Parties to Parties included in Annex I to the Convention undergoing the process of transition to a market economy,

*Taking note* of the submissions from Parties contained in document FCCC/AWGLCA/2010/MISC.6/Add.2,

87. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to continue consideration of these issues pursuant to with a view to promoting access of the Parties included in Annex I to the Convention undergoing the process of transition to a market economy to technology, capacity-building and finance in order to enhance their ability to develop low-emission economies;

**Annex I Party whose special circumstances are recognized by the Conference of the Parties**

*Recalling* decision 26/CP.7, which amended the list in Annex II to the Convention by deleting the name of Turkey,

*Recalling* decision 26/CP.7, which invited Parties to recognize the special circumstances of Turkey, which place Turkey in a situation different from that of other Parties included in Annex I to the Convention,

*Recognizing* that Turkey is in a situation different from that of other Parties included in Annex I to the Convention,

*Noting* that Turkey is not included in Annex II to the Convention and as such is not subject to the commitments of Articles 4, paragraphs 3 and 4, of the Convention and that Turkey is eligible for support under Article 4, paragraph 5, of the Convention,

*Taking note* of the submissions from Parties contained in document FCCC/AWGLCA/2010/MISC.8,

88. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to continue consideration of these issues pursuant to with a view to promoting access by Turkey to finance, technology and capacity-building in order to enhance its ability to better implement the Convention.

## Annexes

### **Annex I: Proposed functions for arrangements to address loss and damage**

1. Engaging stakeholders with the specialist expertise required to provide advice to the Conference of Parties for addressing loss and damage;
2. Facilitating advice and guidance on existing and innovative risk management, risk transfer and risk sharing approaches, including insurance;
3. Identifying key climate risk factors and thresholds for insurance payments;
4. Estimating the potential physical and economic impacts of key climate risk factors;
5. Receiving reports in the event that key climate risk factor thresholds have been exceeded;
6. Facilitating the process of verifying that key climate risk factor thresholds have been exceeded;
7. Recommending appropriate financial compensation payments once climate risk factor thresholds have been exceeded;
8. Facilitating the design, establishment and operation of risk sharing and transfer mechanisms to address financial risk associated with the impacts of climate change related extreme weather events, including the support of standardised risk assessment across countries;
9. Incentivizing good adaptation practice by recommending risk reduction and management prerequisites for access to a proposed international insurance facility.



**Annex II: Guidance, including safeguards, for 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**

1. Activities referred to in paragraph 27 of this decision should:
  - (a) Contribute to the achievement of the objective set out in Article 2 of the Convention;
  - (b) Contribute to the fulfilment of the commitments set out in Article 4, paragraph 3, of the Convention;
  - (c) Be country-driven and be considered options available to Parties;
  - (d) Be consistent with an objective of environmental integrity and enhance the multiple benefits of ecosystems;
  - (e) Be undertaken in accordance with national development priorities, objectives and circumstances and capabilities and should respect sovereignty;
  - (f) Be consistent with Parties' national sustainable development needs and goals;
  - (g) Ensure that implementation is in the context of sustainable development and reducing poverty, while responding to climate change;
  - (h) Promote broad country participation;
  - (i) Be consistent with the adaptation needs of the country;
  - (j) [*Option 1*: Be subject to financing and technology including support for capacity building by developed countries]
  - (k) [*Option 2*: Be supported by predictable and adequate financing and technology support, including support for capacity-building];
  - (l) Be results-based;
  - (m) Promote sustainable management of forests;
2. When undertaking activities referred to in paragraph 27 of this decision, 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 United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
  - (d) The full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities, in actions referred to in paragraphs 27 and 29 of this decision;
  - (e) Actions are consistent with the conservation of natural forests and biological diversity, ensuring that actions referred to in paragraph 27 of this decision are not used for

the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;<sup>1</sup>

- (f) Actions to address the risks of reversals;
- (g) Actions to reduce displacement of emissions.

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

**Annex III: Subsidiary Body for Scientific and Technological Advice  
work programme 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**

In the development of its work programme, the SBSTA shall:

(a) 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;

(b) Develop, by its [X] session, modalities relating to paragraphs 28 (b) and (c) of this decision, for adoption by the Conference of the Parties at its [X] session;

(c) Develop, by its [X] session, as necessary, modalities for measuring, reporting and verifying anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, forest carbon stock and forest area changes resulting from the implementation of activities referred to in paragraph 27 of this decision, 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 [X] session.

**Annex IV: Principles to guide various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions**

1. The following principles shall guide the development of various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, under the Convention:

- (a) Maintaining consistency with the principles of the Convention;
- (b) Ensuring that mitigation approaches are advanced in a cost-effective manner;
- (c) Supporting incentives to Parties to develop or to continue to develop, as appropriate, on low-emissions pathways;
- (d) Providing contributions to sustainable development, including through the promotion of technology transfer and other co-benefits;
- (e) Avoiding any means that constitute an arbitrary or unjustifiable discrimination or disguised restriction on international trade;
- (f) Promoting changes in lifestyles and patterns of production and consumption;
- (g) Ensuring the full respect of human rights;
- (h) Recognizing, promoting and defending nature.

2. The following principles shall guide the development of approaches, as referred to in paragraph 1 above, that are market-based approaches:

- (a) Ensuring voluntary participation of Parties, supported by the promotion of fair and equitable access for all Parties;
- (b) Complementing other means of support for nationally appropriate mitigation actions by developing country Parties by scaling up the provision of new and additional support for such purposes by developed country Parties;
- (c) Stimulating mitigation across broad segments of the economy;
- (d) Safeguarding environmental integrity by ensuring that mitigation promoted by market-based approaches is additional to any that would otherwise occur, by reflecting contributions by all Parties to global mitigation efforts, by providing for robust measurement, reporting and verification and by preventing double counting;
- (e) Moving beyond offsetting by ensuring that activities result in a net decrease in global greenhouse gas emissions;
- (f) Allowing the use of mechanisms established under the Convention and national laws and policies that satisfy relevant criteria to meet mitigation commitments under the Convention, while ensuring that such use is supplemental to domestic mitigation efforts;
- (g) Ensuring robust market functioning and regulation.

## **Annex V: Scope of a forum on the impact of the implementation of response measures**

1. The forum on the impact of the implementation of response measures will address possible modalities to implement the following:
  - (a) Assist in identifying and addressing the impact of the implementation of response measures;
  - (b) Share information, promote response strategies and cooperate on issues relating to response strategies;
  - (c) Explore ways to minimize negative consequences or response measures;
  - (d) Consider appropriate tools, such as those relating to insurance, technology development and transfer, for dealing with negative consequences;
  - (e) Identify possible sources of funding for improving environmental and energy efficiency in upstream and downstream activities relating to fossil fuels;
  - (f) Guide, monitor and evaluate the implementation of a work programme on the impact of the implementation of response measures, which will include the elements listed in paragraphs 3 below.
2. The forum will develop a work programme, setting milestones for making progress and delivering actions, with a view to making a recommendation to the Conference of the Parties at its seventeenth session for its consideration.
3. The work programme for the forum could include:
  - (a) Insurance and financial risk management;
    - (i) Possible collaboration between the climate change community, government programmes and the private insurance sector;
    - (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 developing country Parties, and ensuring increased collaboration on modelling activities on an ongoing basis;
    - (ii) The development of methodologies to assist developing country Parties to examine their vulnerability to the impact of the implementation of response measures;
    - (iii) The development of draft guidance documents on how to undertake socio-economic assessments of the impact of the implementation of response measures to be piloted in selected countries as a basis for detailed and comprehensive guidance;
    - (iv) The development, in collaboration with international organizations, of methodologies to assess the impact on developing country Parties of policies already implemented by developed country 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 the implementation of response measures on developing countries, with a view to fully addressing this issue in the future work of the Intergovernmental Panel on Climate Change;
- (vi) Capacity-building at the national level to enable the impact of the implementation of response measures to be modelled;
- (c) Economic diversification;
  - (i) Providing support for the integration of economic diversification into sustainable development strategies;
  - (ii) Exchanging experiences in economic diversification and identifying and disseminating lessons learned, with a view to identifying the technical assistance that may be needed to develop structural and institutional capacity, and/or to establish a mechanism for facilitating efforts to achieve economic diversification;
  - (iii) Coordination among the secretariat, 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 country Parties 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 impact of the implementation of response measures, such as carbon dioxide capture and storage;
  - (ii) Supporting technology transfer and the removal of barriers for technologies that help developing country Parties adapt to the effects of response measures.

## **Annex VI: Eligible technology development and transfer activities and/or outcomes of activities**

Pursuant to paragraph 67 (c) to this decision, activities and/or outcomes of activities eligible for technological, financial and capacity-building support 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 in developing country Parties;

(c) Increased public and private investment in technology development, deployment, diffusion and transfer;

(d) Deployment of soft and hard technologies for the implementation of adaptation and mitigation actions;

(e) Improved climate change observation systems and related information management;

(f) Strengthening of national systems of innovation and technology innovation centres;

(g) Development and implementation of national technology plans for mitigation and adaptation.

## **Annex VII: Composition and mandate of the Technology Executive Committee**

1. The Technology Executive Committee shall comprise 20 expert members, elected by the Conference of the Parties, serving in their personal capacity and nominated by Parties with the aim of achieving fair and balanced representation, as follows:
  - (a) Nine members from Parties not included in Annex I to the Convention;
  - (b) Nine members from Parties included in Annex I to the Convention;
  - (c) One member from small island developing States;
  - (d) One member from the least developed country Parties.
2. Parties are encouraged to nominate senior experts with a view to achieving, within the membership of the Technology Executive Committee, an appropriate balance of technical, legal, policy, social development and financial expertise relevant to the development and transfer of technologies for adaptation and mitigation, taking into account the need to achieve gender balance in accordance with decision 36/CP.7.
3. Members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms of office and that the following rules shall apply:
  - (a) Half of the members shall be elected initially for a term of three years and half of the members shall be elected for a term of two years;
  - (b) Thereafter, the Conference of the Parties shall elect every year a member for a term of two years;
  - (c) The members shall remain in office until their successors are elected.
4. The Technology Executive Committee shall annually elect a chair and a vice-chair from among its members for a term of one year each, with one being a member from a Party included in Annex I to the Convention and the other being a member from a Party not included in Annex I to the Convention; that the positions of chair and vice-chair shall alternate annually between a member from a Party included in Annex I to the Convention and a member from a Party not included in Annex I to the Convention.
5. If the chair is temporarily unable to fulfil the obligations of the office, the vice-chair shall serve as chair. In the absence of the chair and the vice-chair at a particular meeting, any other member designated by the Technology Executive Committee shall temporarily serve as the chair of that meeting.
6. If the chair or vice-chair is unable to complete the term of office, the Technology Executive Committee shall elect a replacement to complete the term of office, taking into account paragraph 4 above.
7. If a member of the Technology Executive Committee resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the Technology Executive Committee may decide, bearing in mind the proximity of the next session of the Conference of the Parties, to appoint another member from the same constituency to replace the said member for the remainder of that member's mandate, in which case the appointment shall count as one term.
8. The Technology Executive Committee, in performing its functions, may draw upon outside expertise, including the UNFCCC roster of experts and the Climate Technology Centre and Network, to provide advice, including as expert advisors at its meetings.



9. The Technology Executive Committee may proactively engage intergovernmental and international organizations as well as the private sector and civil society in undertaking its work and may invite advisors drawn from relevant intergovernmental and international organizations as well as the private sector and civil society to participate in its meetings as expert advisors on specific issues as they arise.

10. The meetings of the Technology Executive Committee shall be open to attendance by accredited observer organizations, except where otherwise decided by the Technology Executive Committee.

11. The secretariat shall support and facilitate the organization of meetings of the Technology Executive Committee and its activities, including in assisting the Technology Executive Committee in preparing its periodic reports to the Conference of the Parties.

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