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**Non-paper No. 26\***  
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**CONTACT GROUP ON ENHANCED ACTION ON MITIGATION  
AND ITS ASSOCIATED MEANS OF IMPLEMENTATION**

**Subgroup on paragraph 1 (b) (ii)  
of the Bali Action Plan**

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

**Non-paper by the facilitator**

*[Cluster A: Introductory material (Principles, objectives and nature)]*

1. To enhance the implementation of Article 4.1 of the Convention, enabled and supported through enhanced implementation of commitments of developed country Parties and other Parties included in Annex II under Article 4.3, 4.4 and 4.5, in accordance with Article 4.7 of the Convention.
2. Abide by the principles of the Convention embodied in its Article 3, in particular the right to sustainable development enunciated in Article 3.4 and recognize that nationally appropriate mitigation actions by developing country Parties are taken in the context of sustainable development.
3. Nationally appropriate mitigation actions (NAMAs) by developing country Parties, as defined in the Bali Action Plan, paragraph 1 (b) (ii), are distinct from the mitigation commitments of developed country Parties under its paragraph 1 (b) (i), both in magnitude and in their legal nature and should not constitute binding obligations or targets for developing country Parties, or be used as a basis for differentiating between them.
4. The NAMAS by developing country Parties shall be different for different groups of countries, depending on the level of development of their economies [, particularly in the case of the least developed countries (LDCs) and small island developing States (SIDS,)] and on their respective capacities and specific national circumstances [, including limited opportunities that may be available for using alternative energy sources].
5. Nationally appropriate mitigation actions by developing country Parties are voluntary and the extent [level] of mitigation [actions] [effort] will [depend on] [be commensurate with] [be contingent on] the effective provision of financial, technical and capacity-building support as embodied in Article 4.7 of the Convention.

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\* As mandated by Parties during the contact group on nationally appropriate mitigation actions by developing countries at the first part of the seventh session of the AWG-LCA, this consolidated text has been produced by the facilitator in preparation for the resumed seventh session of the AWG-LCA and supersedes non-paper 20. This document incorporates comments provided by Parties at the final contact group session.

6. Recalling Article 4.1 (b) of the Convention, the NAMAs by developing country Parties should evolve over time as their respective national circumstances, economic development and respective capabilities change. The Conference of the Parties should review the circumstances of each Party periodically based on objective criteria.
7. The NAMAs by developing country Parties shall be formulated consistent with the levels of ambition needed to contribute to meeting the ultimate objective of the Convention.
8. To enhance the implementation of Article 12.4 of the Convention, that developing country Parties may, on a voluntary basis, propose projects for financing, including specific technologies, materials, equipment, techniques or practices that will be needed to implement such projects, along with, if possible, an estimate of all incremental costs, of the reduction in emissions and increments in removals of GHGs, as well as estimates of the consequent benefits.
9. Parties' ability to reduce greenhouse gas emissions is affected by their access to alternative energy options; to this effect, pursuant to Article 4.10 of the Convention, the difficulties faced by developing country Parties in switching from fossil fuels to alternative-energy sources shall be quantified and taken into account to reflect their disadvantage in this regard.
10. Give international recognition that developing country Parties are undertaking mitigation actions domestically based on their own resources

*Option to paragraph 10*

Recognition should also be given to the unilateral NAMAs that continue to be taken without being supported and enabled by technology, financing and capacity-building from developed country Parties.

*[Cluster B: Definition and Scope]*

11. Nationally appropriate mitigation actions by developing country Parties may include [a range of individual actions] [a range of actions in the context of low carbon/emissions [high-growth sustainable development] strategies], [projects and programmes] [large-scale mitigation programmes, beyond projects, and should not generate offsets for developed country Parties] which should be voluntary and country-driven, conform with national development priorities, sustainable development agenda and poverty eradication, and determined and formulated at the national level.
12. Nationally appropriate mitigation actions are [all] [actions] [only those actions that are enabled and supported by developed country Parties through finance and capacity-building] to mitigate climate change consistent with national circumstances, and that are commensurate with Parties' responsibilities and capabilities, as reflected in Parties' national programmes to mitigate climate change in accordance with Article 4.1(b), Article 4.3 and 12.4 of the Convention.
13. NAMAs by developing country Parties may comprise:
  - (a) [Tier II] Actions enabled and supported by finance, technology and capacity-building from developed country Parties and other developed Parties included in Annex II to the Convention, [either through bilateral support, support from the Multilateral Fund on Climate Change, or other international financial means];
  - (b) [Tier I] Actions that are undertaken unilaterally by developing country Parties through public funding [domestically, either nationally or subnationally] or other means;
  - (c) [Tier III] [Actions pursued with the intention of generating credits to participate in carbon market(s)] [Actions that are undertaken over and above those identified in tier 1 and tier 2

actions are based on emission reduction targets and may be eligible for trading of units] [should not generate offsets for developed country Parties].

14. NAMAs shall aim to address anthropogenic emissions of greenhouse gases and protect and enhance greenhouse gas sinks and reservoirs in a measurable way [and shall be quantified to the extent possible].

15. NAMAs by developing countries in aggregate should result in a substantial deviation from baseline by 2020 and by 2050 in a measurable, verifiable and reportable manner if enabled and supported by appropriate funding, technology transfer and capacity-building from developed country Parties. Individual mitigation efforts by developing country Parties must be also considered as NAMAs, and thus, should be undertaken in a measurable, reportable and verifiable manner.

16. The NAMAs by developing country Parties [in appendix 1<sup>1</sup>] [should be] [shall be] [based on ‘a no-lose target’ concept] [in the form of sectoral and economy-wide GHG emission intensity targets (GHG emissions per GDP)] in a measurable way], with a view to substantially limiting the growth of GHG emissions in those developing countries that contribute substantially to global emissions of GHGs.

Option to paragraph 16

NAMAs must contribute to overall global GHG emission reductions in a measurable way (tonnes of emissions reduced) so that progress in achieving global emission reductions can be assessed and efforts compared, and may include measurable and quantifiable emission reductions achieved through:

- (a) Renewable energy targets;
- (b) Energy efficiency targets;
- (c) ...etc.]

17. NAMAs may include but are not limited to:

- (a) Sustainable development policies and measures;
- (b) The CDM, programmatic CDM, technology deployment programmes or standards, energy efficiency programmes, energy pricing measures and renewable energy;
- (c) Cap-and-trade schemes and carbon taxes and the use of new and existing flexible carbon market mechanisms;
- (d) [Economy-wide and][Sectoral intensity targets], national sector-based mitigation actions and standards, [and no-lose sectoral crediting baselines];
- (e) Development of national action plans;
- (f) Renewable energy strategies and plans;
- (g) REDD-plus<sup>2</sup> activities and other mitigation actions implemented in [different][related] areas and sectors, including agriculture;

<sup>1</sup> FCCC/AWGLCA/2009/INF.2, annex III, paragraph 21.

<sup>2</sup> In this document, actions under paragraph 1 (b) (iii) of the Bali Action Plan (issues related 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) are referred to collectively as “REDD-plus”.

- (h) Mitigation actions at the subnational or local level, in particular in cities and rural communities;
- (i) Adaptation actions that have mitigation benefits;
- (j) Mitigation actions that provide a win-win situation and that are clearly supported by measurable, reportable and verifiable means of implementation;
- (k) Renewable energy policies and measures, including financial schemes;
- (l) Bilateral actions or strategies implemented by developing country Parties;
- (m) Diffusion of low greenhouse gas emitting technologies.

18. Recalling Article 4.1 (b) of the Convention and recognising that the levels of ambition expected of Parties will necessarily evolve over time as their respective national circumstances and respective capabilities change, with respect to developing country Parties whose national circumstance reflect greater responsibility or capability<sup>3</sup>;

- (a) For each such Party, Appendix 1 (Annex III, paragraph 21, FCCC/AWGLCA/2009/INF.2) includes nationally appropriate mitigation actions in the 2020/[ ] timeframe that are quantified (e.g. reduction from business as usual) and are consistent with the levels of ambition needed to contribute to meeting the objective of the Convention;
- (b) Each such Party shall formulate and submit a low-carbon [high-growth sustainable development] strategy for long-term net emissions reductions by 2050, consistent with the levels of ambition needed to contribute to meeting the objective of the Convention;
- (c) Appendix 1 shall include date(s) by which each Party will commit to the type of action referred to in annex III A, Alternative to paragraph 28 of FCCC/AWGLCA/2009/INF.2;

19. Other developing country Parties should implement nationally appropriate mitigation actions and develop low-carbon/emissions [high-growth sustainable development] strategies, consistent with their capacity.

20. Nationally appropriate mitigation actions as described above may be undertaken at the national, sectoral or project level.

21. [Nationally appropriate mitigation actions shall [include environmentally sound technologies] [not include technologies that have adverse impacts on the environment, including, nuclear power and large-scale hydroelectric power.]

22. Parties that undertake actions under paragraph 13(c) [tier III] above may be eligible to undertake international emissions trading. Eligibility for participation in international emissions trading shall be subject to relevant rules, modalities and guidelines developed by the COP subject to appropriate measurable, reportable and verifiable requirements developed in accordance with Article 4, paragraph 3.

23. Any such trading shall be supplemental to domestic actions for the purposes of meeting commitments or actions and supplemental to paragraph 13(a) and (b) above [tier II and tier I NAMAs].

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<sup>3</sup> The proposing Party intends this paragraph to be read in conjunction with FCCC/AWGLCA/2009/INF.2, Annex III, paragraph 21.

24. Units generated through trading under this Article may be inter-tradable with units generated by the Kyoto Protocol, subject to rules, modalities and guidelines developed jointly by the COP and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

25. Cooperative sectoral approaches and sector-specific actions can be designed by developing country Parties as part of their NAMAs in order to receive financial and technological support to achieve the mitigation potential identified in the selected sectors. These actions would not be eligible for crediting or participation in any market mechanism.

*[Cluster C: Support, enabling activities and institutional arrangements]*

26. The development of low-carbon/emissions [high-growth sustainable development] strategies and the implementation of mitigation actions by developing country Parties will, as appropriate, be supported by financing, technology and capacity-building, as set forth in [Article/Appendix X].

27. [Annex I Parties] [Developed country Parties, including those included in Annex II to the Convention] shall provide new and additional financial resources and technology and institutional capacity-building support for NAMAs [undertaken as part of their low-emission [high-growth sustainable development] strategies] in accordance with Articles 4.3, 4.5, 4.7 and 11.5 of the Convention, over and above financial resources that have been provided to enable developing country Parties to implement their commitments under Article 4.1 of the Convention. Implementation of NAMAs shall be supported on the basis of [agreed full incremental costs] [agreed full costs] [full costs] [and total costs].

28. This support will be mobilized from a range of sources and shall be provided through the [financial mechanism under the Convention] [Mitigation Window of the Multilateral Fund on climate change and through other multilateral, regional and bilateral funding sources, as appropriate] [mechanism on financing technology and capacity-building];

29. Support provided through the registry should not be channeled solely to actions that achieve direct emission reductions. Support should be differentiated between different kinds of actions.

30. Enabling activities for NAMAs by developing country Parties shall be supported on the basis of the agreed [full incremental costs] [full costs]. Activities related to NAMAs include, but are not limited to:

- (a) Activities at different stages of NAMAs including design preparedness, planning and elaboration of NAMAs, and related capacity-building;
- (b) Planning of mitigation activities that have adaptation potentials;
- (c) Preparation and elaboration of national low-carbon/emissions [high-growth sustainable development] strategies of [all developing countries] [LDCs];
- (d) Creating and sustaining enabling environments for mitigation actions in developing countries, including integrated territorial plans at national, regional and local levels as appropriate;
- (e) Undertaking measurement, reporting and verification of NAMAs;
- (f) Preparation of national GHG emission inventories and national communications [to respond to added reporting burden];
- (g) Enabling activities undertaken by national coordinating bodies, including the administration cost;
- (h) Identifying and removing barriers to unilateral actions;
- (i) Technology needs assessments.

31. To support the implementation of the mitigation actions, the following new institutional arrangements is hereby established:
- (a) An Executive Body on Finance and Technology for Mitigation (EBFTM), accountable to the COP;
  - (b) The EBFTM will govern a Mitigation Fund to be created under the Convention;
  - (c) The EBFTM will be supported by technical panels on:
    - (i) Research and development;
    - (ii) Capacity-building;
    - (iii) Transfer of technologies for mitigation;
    - (iv) REDD-plus;
    - (v) Market mechanisms;
    - (vi) Measurement, reporting and verification.
32. NAMAs should be submitted by developing countries to the EBFTM for support.
33. The proposed Financial and Technology Mechanism on Mitigation is meant to ensure the full, effective and sustained implementation of the Convention, in relation to the implementation of commitments for the provision of financial resources and cooperation on technology research, development, diffusion and transfer, in accordance with Article 4.1, 4.3, 4.4, 4.5, 4.8 and 4.9 of the Convention and in accordance with Article 11 of the Convention, with the aim of achieving:
- (a) Accessibility, affordability, appropriateness and adaptability of [environmentally-sound and safe] technologies required by developing country Parties for enhanced action on mitigation;
  - (b) Provision of full costs and full incremental costs, in accordance with Article 4.3 of the Convention;
  - (c) Adequacy and predictability of funds for [environmentally-sound and safe] technology transfer;
  - (d) Removal of barriers to [environmentally-sound and safe] technology development and transfer.
34. The Financial and Technology Mechanism on Mitigation shall:
- (a) Operate under the authority and guidance of, and be fully accountable to, the COP;
  - (b) Have an equitable and geographically balanced representation of all Parties within a transparent and efficient system of governance in accordance with Article 11.2 of the Convention;
  - (c) Ensure that financial flows for mitigation will be sourced and governed in a transparent and balanced manner.
35. The provision of support shall be guided by the following principles:
- (a) Be underpinned by the principles of equity and common but differentiated responsibilities;

- (b) Enable direct access to funding by the recipients and ensure the provision of new and additional, adequate and predictable financing resources for technology transfer;
- (c) Ensure recipient country involvement during the stages of identification, definition and implementation, rendering it truly demand-driven;
- (d) Ensure that support is based on the needs identified by developing country Parties;
- (e) Ensure that specific support is being provided for specific actions.
- (f) Support the development and enhancement of endogenous capacities and technologies of developing country Parties;
- (g) Ensure that the funds are spread evenly, ensuring equity, a fair distribution of benefits and an even spread across all economic sectors;
- (h) Provide incentives by linking supporting measures in technology and finance and capacity-building with efforts in measurement, reporting and verification.

Option to paragraph 35

The Conference of the Parties serving as the assembly of the Parties shall decide procedures for the allocation of funds for actions, which the Board of the Multilateral Fund on Climate Change shall develop.

36. Developing country Parties shall decide when the level of support is sufficient for the implementation of a proposed NAMA. They retain the right to delay implementation of the proposed NAMA if they consider the level of support insufficient.

[Cluster D: Mechanism(s) to register and facilitate implementation of NAMAs and corresponding support]

37. The minimum expectations with regard to the commitments and/or actions developing countries would register in their national schedules would be, for developing country Parties whose national circumstances reflect greater responsibility or capability, nationally appropriate mitigation commitments and/or actions aimed at achieving substantial deviation from baselines.<sup>4</sup>

38. Each Party shall establish, maintain and implement the contents of a national schedule, which shall include a long-term national emissions pathway, and nationally appropriate mitigation commitments and/or actions that are measurable, reportable and verifiable in quantitative terms. Commitments and actions registered in national schedules may be taken unilaterally, with the intention of accessing the carbon market and/or enabled by previously agreed support. LDCs are invited to establish a national schedule at their discretion.<sup>5</sup>

39. A [support and accreditation mechanism] [coordinating mechanism] [registry] to facilitate implementation of NAMAs by developing country Parties (hereinafter referred to as the mechanism/registry/register) shall be established [as part of the proposed Financial Mechanism] to enhance the implementation of the relevant provisions of [Articles 4.1, 4.3, 4.5, 4.6, 4.7 and 12.4] of the Convention.

40. The mechanism/registry/register shall be established at the secretariat under the authority of the COP and shall be supported by:

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<sup>4</sup> This paragraph should be read in conjunction with the proposal on national schedules in non-paper number 16, and the proposal for a facilitative platform in non-paper number 13.

<sup>5</sup> As footnote 4 above.

- (a) A technical panel, composed of representatives of Parties mainly from developing countries, including representatives from the LDCs, to assess the assumptions and methodologies underpinning NAMAs and low-carbon/emissions [high-growth sustainable development] strategies and the support that those actions require;
- (b) A new body to conduct the measurement, reporting and verification of NAMAs and the corresponding support in the form of technology, finance and capacity-building.

Option to paragraph 40

The mechanism/registry/register can be supported through technical bodies.

41. The mechanism/registry/register shall have the following functions:

- (a) Register NAMAs by developing country Parties;
- (b) Register and pool all pledges for voluntary mitigation actions and all pledges for financial support and technology transfer by developed countries;
- (c) Register financial, technological and capacity-building support;
- (d) Provide a platform for matching actions with support in such a way as to maximize cost-efficiency and to strengthen financing for NAMAs, taking into account the capabilities of each country and the need to ensure the environmental integrity of NAMAs;

Option to (d)

“The support path” provides direct financial and technological support by developed country Parties, channelled through the financial and technology mechanism(s) of the Convention;

- (e) Provide a technical analysis of low-carbon/emissions [high-growth sustainable development] strategies of developing country Parties, the NAMAs proposed therein [NAMAs] and the corresponding need for support identified; it shall also assess the contribution of [individual NAMAs to emission reductions relative to ‘business as usual’;] [a proposed emissions pathway to a substantial deviation from ‘business as usual’ emission levels of developing country Parties as a group in 2020;]
- (f) Trigger [an automatic request for] [automatic provision of] financial resources and technology transfer, once a technical analysis of the NAMA is completed by a technical panel. Support should be matched with actions to be undertaken during the entire process.
- (g) Record the confirmation of the matching of specific action with specific support, thereby validating them.

Option to (f) and (g)

Validate domestically funded and internationally supported actions when matching is confirmed;

- (h) Provide for measurement, reporting and verification of actions and the corresponding support;
- (i) Provides emission reduction credits for NAMAs (accreditation path) [without replicating CDM procedures];
- (j) Recognize NAMAs as a part of the global effort to combat climate change.

42. Developing country Parties [may] [shall] register their NAMAs.

Option paragraph 42

Developing country Parties shall register NAMAs that are supported and may register NAMAs that are not supported.

43. The life cycle of a NAMA may consist of the following steps<sup>6</sup>:

- (a) Build capacity;
- (b) Identify action and required resources;
- (c) Technical analysis;
- (d) Register indicative actions, support, mitigation results, co-benefits;
- (e) Mobilize resources [supported;] [domestically funded;] [carbon markets;]
- (f) Implement;
- (g) MRV;
  - i. Measure
  - ii. Report
  - iii. Verify
- (h) Update the register.

44. Developed country Parties [shall] [should] register [their financial, technological and capacity-building support] [only support that is delivered through a technology and financing mechanism under the Convention] in order to fulfil their obligations under the Convention.

45. Information provided [in relation to NAMAs] [in the context of low-carbon/emissions [high-growth sustainable development] strategies] to the mechanism/registry/register [may] [shall] include:

- (a) A list of proposed actions or actions being implemented and information related to the assumptions and methodologies underpinning them;

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<sup>6</sup> The proposing Party intends this paragraph to be read in conjunction with Annex III of this document.

- (b) The expected outcome of each NAMA in terms of its sustainable development benefits, its co-benefits and the GHG emission reductions achieved in tonnes of CO<sub>2</sub> eq;
  - (c) Greenhouse gas emission reductions relative to baselines or ‘business as usual’ scenarios;
  - (d) The expected outcomes of NAMAs defined directly;
  - (e) An estimate of the full incremental cost of each NAMA, including the cost of technology transfer and the agreed full cost of capacity-building;
  - (f) Information relating to implementation of each NAMA, including information on support received and the timeframe for implementation;
  - (g) Any proposed use of a carbon market mechanism, and the associated caps and thresholds;
  - (h) Support by developed countries in terms of technology, finance and capacity-building.
46. The developing country concerned will implement the proposed action. Implementation shall be enhanced through support for building the institutional capacity in developing countries, specifically through the proposed national coordination mechanism.
47. Developing country Parties may establish national coordinating bodies:
- (a) To build or strengthen institutional capacity;
  - (b) To provide support and facilitate coordination of the submission of proposals for NAMAs to the international registry, together with details of the support required for the implementation of the proposals for NAMAs;
  - (c) To provide support for and facilitate coordination of the development and implementation of low-carbon/emissions [high-growth sustainable development] strategies and national inventories;
  - (d) To facilitate coordination of mitigation actions undertaken without assistance from developed country Parties, to ensure international recognition of all mitigation actions taken.
48. A separate pool of funding to finance national coordinating bodies through a direct line item in the secretariat’s budget shall be established.
49. The mechanism/registry/register shall be updated annually to reflect the status of implementation of actions and their support. It shall be updated every two years to report on measured outcomes of actions, alternating with reporting on GHG inventories. Following the first measurable, reportable and verifiable report, a NAMA shall be considered registered (and no longer indicative).
50. The Meeting of the Parties under this Agreement shall, at its first session, elaborate on modalities and procedures for the operation of the mechanism/registry/register.

*[Cluster E: Plans and strategies]*

51. Each developing country Party [described in annex I] shall, in accordance with Article 4.1 of the Convention, elaborate, develop and submit a low-carbon/emissions [high-growth sustainable development] strategy [voluntary] [national action plan]. It shall contain:
- (a) The description of a long-term strategy for the low-carbon/emissions [high-growth sustainable development] of the developing country Parties including an emission pathway, that is, an emission projection planned to be achieved through the

implementation of the strategy;

- (b) A description of steps taken or envisaged by the Party to implement its low-carbon/emissions [high-growth sustainable development] programme;
- (c) The description of all NAMAs that the Party has adopted or undertakes to adopt to implement its low-carbon/emissions [high-growth sustainable development] programme, each of which should:
  - (i) Indicate autonomous action that is to be financed and implemented by the country itself;
  - (ii) Identify barriers to the implementation of autonomous action, including identifying technology needs and barriers to technology deployment and diffusion, whose removal needs support;
  - (iii) Indicate action that, due to the incremental costs, requires assistance, in the form of financing, technology or capacity-building for implementation;
  - (iv) Specify, when relevant, what type of support in terms of finance, capacity-building and technology it considers most appropriate to enable the implementation of the NAMA;
  - (v) Specify, when relevant, if the use of a [flexible][carbon market] mechanism is proposed, and the associated caps and thresholds;
  - (vi) Specify the outcomes of the NAMA that are foreseen in terms of emission reductions for several time horizons, for example, 2020, 2030 and 2050 and provide information on how these emission reductions were estimated;
  - (vii) (Other elements)
- (d) Policies and measures for mitigation, which shall include quantified elements to the extent possible.

52. National low-carbon/emissions [high-growth sustainable development] strategies by developing country Parties containing nationally appropriate actions to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, shall in the aggregate aim to achieve a significant deviation from current baseline emissions by 2020 and by 2050, supported and enabled by technology, financing and capacity-building.

53. Each developing country Party shall have its low-carbon/emissions [high-growth sustainable development] strategy in place [communicate its strategy] by [2012] [date].

54. Developing country Parties shall commit to integrating their strategies covering all key emitting sectors into national and sectoral development strategies.

55. The Parties included in Annex I that have made substantial contributions to the global emissions of GHGs and have appropriate response capabilities shall achieve their respective GHG emission intensity targets as described in Annex I in the commitment period from 2013 to 20XX, with a view to limiting substantially the growth in their GHG emission.

56. The meeting of the Parties to this Agreement shall [at its first session] elaborate further guidelines and modalities for the elaboration and reporting of the strategies.

[Cluster F: Measurement, reporting and verification<sup>7</sup>]

57. An international institutional framework shall be established for measuring, reporting and verifying GHG emission reductions and support provided by developed country Parties.

58. Guidelines for measurement, reporting and verification of actions by developing country Parties shall be established and approved by the COP.

Option to paragraph 58

Actions undertaken under paragraph 13(a) [tier II]<sup>8</sup> shall be subject to appropriate reporting and accounting standards as determined by the Board of the Multilateral Fund on Climate Change and approved by the Conference of the Parties serving as the Assembly of the Parties.

59. NAMAs and support for them shall be [undertaken in a measurable, reportable and verifiable manner] [measured, reported and verified].

Option to paragraph 59

Measurement, reporting and verification of NAMAs and their desired outcomes shall apply only to actions that have been enabled and supported by measurable, reportable and verifiable finance and technology by Annex I Parties through the proposed financial mechanism.

60. Measurement and reporting of NAMAs and their achieved outcomes [using reporting template (see annex II) adopted by the supreme body to this instrument]:

- (a) Shall be applicable only to the mitigation actions that are enabled by technology and finance;
- (b) Shall cover both national low-carbon/emissions [high-growth sustainable development] strategies and NAMAs undertaken in the context of those strategies;
- (c) Shall cover for [major] developing countries: quantification of actions and quantified energy intensity targets, as well as mitigation policies and measures designed to implement them (especially in major sectors) [, based on the requirements which are the same as for developed country Parties];
- (d) Shall cover the content of Parties' national schedules, including low-carbon/emissions [high-growth sustainable development] strategies, long-term national GHG emission limitation or reduction pathways, and NAMAs undertaken in the context of the strategies;
- (e) Shall indicate how implementation of NAMAs affects GHG trajectories at a national and/or sectoral level or the national baseline.

61. In addition, each developing country Party shall submit its national GHG emissions inventory of anthropogenic emissions by sources and removals by sinks of all gases not controlled by the Montreal Protocol.

62. Unilateral actions that are undertaken by developing country Parties and are not enabled or supported by other Parties [may] [shall] be reported in national communications.

<sup>7</sup> Texts of the proposals on measurement, reporting and verification contained in FCCC/AWGLCA/2009/INF.2, Annex III B, Cluster H, will be addressed by the mitigation contact group.

<sup>8</sup> Actions that are financed by international financial and/or technical support, either through bilateral support, support from the Multilateral Fund on Climate Change or other international financial means.

63. NAMAs and their achieved outcomes shall be:
- (a) Measured at a national level according to guidelines to be decided upon by the Meeting of the Parties to this Agreement at its first session, building on, inter alia, existing IPCC guidance and involving regional centres and national experts in accordance with national measuring and reporting procedures and practices, taking into account countries' national circumstances;
  - (b) Reported to the Convention according to reporting guidelines to be decided upon by the Meeting of the Parties to this Agreement at its first session, taking into account the principles of transparency, accuracy, consistency, comparability and completeness, and shall address, inter alia, achieved emission reductions, as well as their effectiveness in relation to the Party's low-carbon/emissions [high-growth sustainable development] strategies;

64. Each Party with a GHG emission intensity target shall have in place a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol. Guidelines for the national systems shall be elaborated.

65. In complying with their obligations under Article 12, paragraph 1, of the Convention, all developing country Parties shall submit annual inventories as soon as possible and not later than 2011, at least for the key emitting categories, facilitated by comprehensive capacity-building and technical and financial support. These inventories shall include a national inventory report that contains details of the estimation methodologies used and shall be subject to international review by expert review teams based on existing independent review processes for the GHG inventories of Annex I Parties. The Meeting of the Parties to this Agreement shall, at its first session, decide on reporting and review guidelines to be used for national GHG inventories of developing country Parties submitted under this Article.

Option 1 to paragraph 65

National inventories of developing country Parties shall be submitted every two years given sufficient financial support by developed country Parties.

Option 2 to paragraph 65

Non-Annex I Parties whose emissions represent more than [X] per cent of global emissions in [XXXX] shall report every two years, with the first report to be presented no later than [date].

Option 3 to paragraph 65

National inventories of developing country Parties shall be submitted regularly, on a more frequent basis than is current practice under the Convention. This enhanced reporting shall start as soon as possible. In accordance with Article 4.3 of the Convention, developed country Parties and other developed country Parties included in Annex II to the Convention shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties, particularly the LDCs and SIDS, in meeting the requirements mentioned in this paragraph.

66. The LDCs and SIDS may submit their GHG inventories at their discretion, [and may report these as part of their communication process] according to the resources provided and their national capacities.

67. [Unilateral NAMAs] [Nationally appropriate mitigation actions] contained in the national action plans of developing country Parties:

- (a) Shall be measured and reported by the host Party in accordance with the established guidelines;
- (b) Shall be reviewed by the Conference of the Parties serving as the meeting of the Parties to a new Protocol;
- (c) Shall [not be subject to verification.] be verified by national entities in accordance with internationally agreed guidelines. The methodologies of the national verification process should be open to international auditing. If necessary, and subject to agreement by the developing country Party undertaking the NAMA, the domestic verification may also be confirmed by an international verification process, with due respect to the protection of confidential information.

Option 1 to subparagraph (c)

Shall be subject to international verification together with support according to modalities, procedures and guidelines to be established under the authority of the COP. This verification should include international auditing (e.g. by international expert teams).

Option 2 to subparagraph (c)

Shall be verified jointly by the financial mechanism established under the Convention and the host country.

68. NAMAs that are financed through the carbon market and their outcome in terms of emissions reductions shall be verified, together with the corresponding support as measured and reported by [national level] institutions accredited by the COP in accordance to the same multilaterally agreed guidelines.
69. Achievement of the intensity targets by major developing country Parties shall be reviewed by expert review teams.
70. Guidelines for measuring, reporting and verifying support shall be established and approved by the COP.
71. Developed country Parties shall measure, report on NAMAs and have support for NAMAs verified in accordance with international guidelines, including the following:
- (a) Allocation and transfer of finance for means of implementation [granted [over and above ODA], in units of an agreed common currency];
  - (b) Technology transfer, including development, deployment, application and diffusion [in units established by the COP];
  - (c) The agreed full incremental costs of technology transferred to developing country Parties [in units of an agreed common currency];
  - (d) Support for capacity-building according to indicators [and in units] [established by the COP.]
72. Developed country Parties shall report on the measurement of support, including financial resources, transfer of technology and other actions, in their national communications submitted under Article 12.3 of the Convention. Information on actions taken to fulfil commitments on financial resources, transfer of technology and other actions under the Convention shall be updated and verified

[annually] [regularly]. The measurement and reporting of support shall be based on new methodologies for assessing their adequacy, predictability and effectiveness.

73. The support shall be verified under the registry in terms of contributions by developed [and developing] country Parties taking into consideration their responsibilities and respective capacities.

Option 1 to paragraph 73

The support shall be verified using international guidelines, reported in the international registry under the Convention and updated annually.

Option 2 to paragraph 73

The support shall be verified within the existing in-depth review of national communications from Annex I country Parties.

Option 3 to paragraph 73

The provision of financial resources, transfer of technologies and other forms of support by developed [and developing] countries taking into consideration their respective capacities] shall be verified by the Verification Group of the finance and technology mechanism(s) of the Convention in terms of contributions by developed [and developing] country Parties within their respective capacities.

74. Financial resources provided by Annex I Parties shall be measured, reported and verified when provided to the Financial Mechanism. Technology transfer and capacity-building shall be measured, reported and verified during the course, and following completion, of the associated NAMA.

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Annex I

Party	Nationally appropriate mitigation actions to be taken pursuant to Article 3, paragraph 2 (actions by developing country Parties)
A	To develop and submit national action plan
B*	<p>(1) To develop and submit national action plan</p> <p>(2) To achieve targets as described below:</p> <p style="padding-left: 20px;">(a) Economy-wide GHG emissions or energy consumption per GDP: xx tonnes-CO<sub>2</sub>e/US\$ or millions tons of oil equivalent/US\$</p> <p style="padding-left: 20px;">(b) GHG emissions per unit and other targets in major sectors</p> <p style="padding-left: 40px;">(i) Iron and Steel: xx kg-CO<sub>2</sub>e/ton-crude steel (distinguished by major steel-making methods)</p> <p style="padding-left: 40px;">(ii) Cement: xx kg-CO<sub>2</sub>e/ton-cement or MJ/t-clinker</p> <p style="padding-left: 40px;">(iii) Aluminum : xx kg-CO<sub>2</sub>e/ton-primary aluminum</p> <p style="padding-left: 40px;">(iv) Power generation: Thermal efficiency of Coal fired powered plant (per cent)/Share of total introduction volume of non-carbon energy (per cent or kw)</p> <p style="padding-left: 40px;">(v) Other sectors</p>
C	To develop and submit national action plan
...	...

Note: Parties marked with an asterisk (\*) are the Parties that have substantial contribution to the global emissions of GHGs and have appropriate response capabilities.

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Annex II

[REPORTING TEMPLATE]

Party	National Circumstances	Date of latest reported National GHG Inventory and Date of inventory review	Sector	Agreed projected business as usual emissions/removals	Nationally Appropriate Mitigation Actions	Expected emission reduction or limitation <sup>a</sup>	Emission budget
Party A	GDP per capita GHG per capita Mitigation potential etc.		Stationary Energy	XMT	List NAMAS according to: <ul style="list-style-type: none"> <li>▪ Quantified targets</li> <li>▪ Price based measures</li> <li>▪ Regulations</li> <li>▪ Other policies and measures</li> </ul>	YMT	XMT – (YMT + ZMT)
						ZMT	
			Mobile Energy				
			Agriculture				
			LULUCF				
			Industrial Processes				
			Solvents				
			Waste				
			Multiple sectors				
TOTAL				TOTAL Business As Usual Projection		UGT	TOTAL BUDGET

<sup>a</sup> Relative to BAU over the sector and expected to be achieved by undertaking listed NAMAs.

Annex III

**Life-cycle of NAMA and MRV process**

**Context**

This life-cycle and process elaborates paragraphs 128 to 130 on page 95 of FCCC/AWGLCA/2009/INF.2; and the paragraphs in INF.1 relating to “Various approaches to enhance the cost-effectiveness of, and to promote, mitigation actions”

Recalling INF.2, p 58 , para 7:

“Mitigation commitments by developed countries are distinct from mitigation actions by developing countries in the following way:

- (a) Mitigation commitments by all developed countries are legally binding economy wide and absolute quantified emission reduction commitments;
- (b) Mitigation actions by developing countries are voluntary and nationally appropriate actions, supported and enabled by technology, finance and capacity-building, which reduce or avoid emissions relative to baseline”, South Africa offers the following elaboration of its previous submissions.

**Proposal**

	<b>Domestically funded NAMAs</b>	<b>Supported NAMAs</b>
Build capacity	National coordinating bodies enhance existing capacity in developing countries, supported by agreed full costs	
Identify action and required resources	National coordinating body identifies NAMAs within its mitigation potential and the resources required NAMAs may comprise individual mitigation actions, sets of actions or programmes. Developing countries may choose from a variety of forms of action.	
Register indicative actions, support, mitigation result, co-benefits	<p>Developing countries may voluntarily register domestically funded NAMAs.</p> <p>The UNFCCC Secretariat shall open and maintain the register of NAMAs, which shall include, but not be limited to:</p> <ul style="list-style-type: none"> <li>- the actions developing countries would want to submit</li> <li>- the emissions that would be avoided, relative to business-as-usual</li> <li>- the sustainable development benefits (not to be MRV’ed)</li> </ul> <p>The register shall initially contain a list of <i>indicative</i> mitigation actions proposed</p>	<p>Developing countries shall register indicative NAMAs for which they seek international support.</p> <p>The UNFCCC Secretariat shall open and maintain the register of NAMAs, which shall include, but not be limited to:</p> <ul style="list-style-type: none"> <li>- the actions developing countries would want to submit</li> <li>- the identified support required</li> <li>- the emissions that would be avoided, relative to business-as-usual</li> <li>- the sustainable development benefits (not to be MRV’ed)</li> </ul> <p>The register shall initially contain a list of <i>indicative</i> mitigation actions proposed and support needed to implement</p>

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**Table** (continued)

	<b>Domestically funded NAMAs</b>		<b>Supported NAMAs</b>
Mobilise resources	The national coordinating body will mobilize domestic resources to implement NAMAs (not to be MRV'ed)		<p>The assumptions and methodology underpinning the proposed action and the required support for the indicative mitigation actions will be assessed by a Technical Panel established under the Convention.</p> <ul style="list-style-type: none"> <li>- Once the Technical Panel reports that the action and support have been estimated using good practice, a request to the Financial and Technology Mechanism(s) of the Convention is triggered.</li> <li>- The Financial and Technology Mechanisms, and relevant windows in the mechanisms, shall be responsible for matching support to actions.</li> <li>- At this point, NAMAs are registered (and are no longer indicative)</li> </ul>
Implement	The developing country concerned will implement the proposed action. Implementation shall be enhanced through support for building the institutional capacity in developing countries, specifically through the proposed national coordination mechanism		
MRV	Register	National communication	At the end of the first year after implementation of the actions, both the action and the support will be measured, reported and verified (MRV).

**Table** (continued)

	<b>Domestically funded NAMAs</b>		<b>Supported NAMAs</b>
<i>Measure</i>	<p>The emission reductions relative to business as usual shall be measured by the Party implementing the mitigation action in tons of carbon dioxide equivalent, according to multi-laterally agreed guidelines and methodologies.</p> <p>To assist with measurement, developing countries shall submit GHG inventories every two years</p>	<p>The emission reductions relative to baseline shall be measured by the Party implementing the mitigation action in tons of carbon dioxide equivalent, according to multi-laterally agreed guidelines and methodologies.</p> <p>To assist with measurement, developing countries shall submit GHG inventories every two years</p>	<p>The emission reductions relative to business as usual shall be measured by the Party implementing the mitigation action in tons of carbon dioxide equivalent, according to multi-laterally agreed guidelines and methodologies.</p> <p>To assist with measurement, developing countries shall submit GHG inventories every two years</p> <p>The support provided shall be measured by developed countries and shall;</p> <ul style="list-style-type: none"> <li>- Indicate the allocation and transfer of finance for means of implementation granted over and above Official Development Assistance in units of an agreed common currency.</li> <li>- Measure the technology transfer, including development, application and diffusion, in units established according to indicators being developed under the SBI and SBSTA, and the agreed full incremental costs for technology transferred to developing countries shall be reported in units of an agreed common currency.</li> <li>- Measure the support for capacity-building according to indicators developed by the SBI and in units to be established in the review of the capacity-building framework.</li> </ul>
<i>Report</i>	<p>Developing countries may voluntarily choose to register actions undertaken with their own resources, but for which they are not seeking multi-lateral support. Such actions are registered for recognition purposes only.</p>	<p>Mitigation actions implemented by developing countries with their own resources shall be reported in national communications, enhancing the implementation of Article 12.1 of the Convention.</p>	<p>Mitigation actions receiving support shall be reported in the registry. Reporting on the status of implementation to the registry shall be annual with an update based on measured outcomes every two years, alternating with reporting on GHG inventories.</p> <p>Developed countries shall report on the measurement of support in their national communications under Article 12.3 and support shall be updated in the registry on an annual basis.</p>

**Table** (continued)

	<b>Domestically funded NAMAs</b>		<b>Supported NAMAs</b>
<i>Verify</i>	Where a developing country voluntarily chooses to register a domestically funded NAMA, these shall be measured, reported and verified, through modalities and procedures to be established under Convention and according to multi-laterally agreed guidelines	Domestically funded NAMAs may be verified by national entities working to multi-laterally agreed guidelines	NAMAs supported with public funding from developed countries shall be verified together with the support as measured and reported, through modalities and procedures to be established under Convention and according to multi-laterally agreed guidelines For supported actions, developed country Parties including those in Annex II shall provide new and additional financial resources to meet the agreed full costs of verification undertaken by developing countries. The COP shall verify the measurable, reportable and verifiable progress of developed countries towards their commitments to support developing countries, on the basis of their annual report in their national communications. Such verification shall include the direct financial transfers and indirect contributions through quantifiable technology and capacity-building support provided. Modalities and procedures for this verification shall be adopted at its next session.
Update register	On an annual basis, the register shall be updated to reflect the status of implementation of action.		On an annual basis, the register shall be updated to reflect the status of implementation of action and its support.

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