

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

Non-paper No. 39^{1,2}

05/11/2009 @ 19.00

**CONTACT GROUP ON ENHANCED ACTION ON MITIGATION
AND ITS ASSOCIATED MEANS OF IMPLEMENTATION**

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

Draft text

Proposed by the facilitator

This non-paper contains draft text on paragraphs 5–16 and revisions to paragraph 4 (e) and (f) as proposed by the facilitator of the sub-group on mitigation under paragraph 1 (b) (iii), taking into account the ideas, proposals and views expressed by Parties at informal consultations of the sub-group from 3–4 November 2009. Text in sub-sections 1 (paragraphs 1–4), 4 and 5 remains unchanged and is as presented in non-paper 18. All text in italics is included for informative purposes only, and is not intended to be part of this proposal by the facilitator.

[1. Objectives, scope and guiding principles

Objectives and scope

1. [All Parties should collectively aim at halting forest cover loss in developing countries by 2030 at the latest and reducing gross deforestation in developing countries by at least 50 per cent by 2020 compared to current levels.]
2. Developing country Parties should contribute to enhanced mitigation actions in the [forestry sector] [land use, land-use change and forestry sector] [agriculture, forestry and land use sector], and the following activities [shall][should]

Option 1

include [reducing emissions from deforestation and forest degradation [, maintaining existing carbon stocks and enhancing removals] [or increasing forest cover through afforestation and reforestation], [while promoting][enhancement of carbon stocks through [sustainable forest [and land] management] [sustainable management of forests].]

Option 2

be included:

- [(a) Reduction in deforestation rates;

¹ Reissued for technical reasons.

² This non-paper supersedes non-paper No. 18.

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

- (b) Reduction in forest degradation;
- (c) Stabilization of forest cover (and thereby forest carbon stocks);
- (d) Conservation and maintenance of forest carbon stocks through sustainable management of forests;
- (e) Enhancement of forest carbon stocks through conservation and sustainable management of forests, and/or increase in forest cover through afforestation and reforestation.]

3. Actions to be undertaken by Parties referred to in paragraph 2 above shall:

General principles

- (a) Contribute to the objective set out in Article 2 of the Convention;
- (b) Be country driven and voluntary;
- (c) Be undertaken in accordance with countries' capabilities and national circumstances and respect sovereignty;
- (d) Be consistent with national sustainable development goals;
- (e) [Facilitate sustainable development, reduce poverty and respond to climate change in developing country Parties, rather than be a way to help developed country Parties to fulfil their commitments to reduce emissions;]
- (f) Promote broad country participation;
- (g) Be consistent with the adaptation needs of the country;

Specific principles

- (h) [Be integrated into nationally appropriate mitigation actions;] [Be developed within the context of a low GHG emission strategy;]
- (i) Be subject to equitable, adequate, predictable and sustainable financing and technology support, including support for capacity-building;
- (j) Be results-based;
- (k) [Support developing countries in reorganizing the forestry sector, thus implementing low-carbon economies and taking part in the global effort to stabilize and reduce GHG concentrations in the atmosphere and developed country Parties to help meet their ambitious quantified emissions reduction targets;]
- (l) Promote [sustainable forest management] [sustainable management of forests].

Principles - safeguards

4. When undertaking actions referred to in paragraph 2 above Parties shall:

- (a) Ensure that non-permanence is addressed;
- (b) Ensure that necessary actions are taken to [avoid leakage][reduce leakage as much as possible];

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

- (c) [Promote] transparent forest governance structures and accessible support mechanisms, taking into account national legislation and sovereignty;
- (d) Ensure that the actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
- (e) In accordance with relevant international agreements[, such as the United Nations Declaration on the Rights of Indigenous Peoples,] and taking into account national circumstances and legislation, respect the knowledge and rights of indigenous peoples[, including their free, prior and informed consent,] and members of local communities and promote the full and effective participation of all relevant stakeholders in actions referred to in paragraphs 2 and 5 above;
- (f) [Promote] actions that are consistent with the conservation of biological diversity [, and do not provide incentives for conversion of natural forests][, including safeguards on the conversion of natural forests] and enhance other social and environmental benefits[, including [environmental] [ecosystem] services], complementary to the aims and objectives of relevant international conventions and agreements.

5. Developing country Parties aiming to undertake actions referred to in paragraph 2 above shall develop:

- (a) A national [action plan] [strategy] [or subnational strategies] [, as part of their low-carbon emission strategies,] in accordance with national circumstances;
- (b) National reference emission levels and/or national reference levels in accordance with their national circumstances and respective capabilities;
- (c) A robust and transparent national monitoring and reporting system for emissions and removals in the forestry sector [in accordance with national circumstances and capabilities] [,with the establishment of subnational accounting as an optional interim measure].

When developing a national [action plan] [strategy] [or subnational strategies], as referred to in sub-paragraph (a) above, Parties [shall][should] take into account the guidelines and modalities to be adopted by the COP on this matter.

6. [While implementing the national [action plan] [strategy] Parties [should][shall] address, inter alia, drivers of deforestation, land tenure issues, forest governance and means of ensuring the full and effective participation of indigenous peoples and local communities.]³

7. Actions to be undertaken by Parties referred to in paragraph 2 above [should] [shall] be implemented in phases, beginning with the development of national [action plans] [strategies], policies and measures and capacity-building (*phase 1*), followed by the implementation of national policies and measures, and [action plans] [strategies] that could involve further capacity-building and technology transfer (*phase 2*), and finally evolving into results-based actions that are measured, reported and verified in accordance with guidance referred to in paragraphs 12 to 15 below (*phase 3*). The implementation of these phases, including the choice of a starting phase, shall depend on the specific national circumstances, capacities and capabilities of each developing country Party.

³ (*Taking into account the need for sustainable livelihoods of indigenous peoples and local communities and their interdependence on forests in most countries, reflected in the United Nations Declaration on the Rights of Indigenous Peoples and the United Nations Earth Day.*)

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

**Resumed seventh session
Barcelona, 2–6 November 2009**

2. Means of implementation

8. The implementation of the activities referred to in paragraph 2 above, which involve the development of national [action plans] [strategies], policies and measures, capacity-building, implementation of national policies and measures and [action plans] [strategies] [including activities to be implemented up to 2012], shall be financially supported through

Option 1

[a window of the relevant financial mechanism established under the Convention] [, which [shall][should] be funded through contributions from [developed country Parties], [market-linked revenues], [innovative funding sources, including auctioning of national emissions trading allowances or of assigned amount units at international level, and penalties or fines for non-compliance of developed country Parties with their emission reduction and financial resources commitments]. These funds shall be [new and additional to ODA,] [complementary to GEF, and bilateral and multilateral funding].]

Option 2

[existing funds and institutions, including multilateral, bilateral and domestic arrangements].

9. [Financial support for actions referred to in paragraph 8 above may involve incentives for performance using simplified reporting requirements in combination with conservative estimates of emission reductions.]

10. Acknowledging that the need for financial support will vary by country and over time, and depending on national circumstances as countries progress in the implementation of [nationally appropriate mitigation] actions in relation to activities referred to in paragraph 2 above].

11. The results-based actions referred to in paragraphs 7 above, including early actions, [should][shall][be supported by] [should be financed by]]

[Option 1]

the use of public funds, through one or more of the following approaches:

- (a) Specialized REDD-plus funds or funding windows established under the COP, including one or more of:
 - (i) Trust funds for community forestry accounts;
 - (ii) Forest reserve fund for conservation and sustainable forest management;
- (b) A Convention adaptation fund to support conservation and [sustainable management of forests][sustainable forest management].]

[Option 2]

A [flexible] combination of market approaches and funds, depending on host countries' preferences for actions referred to in paragraph 2 above, such as:

- (a) A fund [additional to ODA] for [conservation, enhancement of carbon stocks, sustainable management of forests, reducing emissions from deforestation and forest degradation] [, stabilization of forest cover, conservation and maintenance of carbon stocks through sustainable forest management] [, reducing emissions through sustainable land management practices, including forest conservation, sustainable forest management, the

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

avoidance of deforestation, afforestation and sustainable agriculture;] [,capacity-building, technology transfer, policy implementation, etc;]

- (b) [Allocation of assigned amount units from the respective allocations to relevant Parties]
- (c) A market-based mechanism for [supporting enhancement of carbon stocks through sustainable forest management, reduced emissions from deforestation and forest degradation] [, certified emission reductions to contribute to compliance with part of the countries' quantified emission limitation and reduction commitments under the Convention].]

*See footnote below*⁴

3. [Measurement, reporting and verification of actions] [Measurement and monitoring system]

12. [When establishing national reference emission levels [and][or] national reference levels, Parties shall take into account the guidance provided in decision X/CP.15 (*SBSTA decision*⁵) and any relevant decisions to be adopted by the COP.

(Elements for consideration in the SBSTA draft decision: [the application of a correction factor to reflect] national circumstances [,historically low deforestation and forest degradation, developmental divergence, and respective capabilities and capacities], developing country Parties that are requesting support shall follow the guidance decided by the [COP] [Meeting of the Parties to this Agreement at its first session] to be adopted at its [xx] session on how to establish the levels[, including ways to address [domestic] leakage] [if applying sub-national approaches] [for demonstration activities] [and the development of guidance in monitoring and reporting with the full effective engagement of indigenous people and local communities.]])

13. When implementing actions referred to in paragraph 2 above, [, under the [NAMA registry,] [, on the basis of national [action plans][strategies] referred to in paragraph 5 above,], Parties [shall] [should] measure, report and verify emission reductions [and removals of greenhouse gases] and changes in forest carbon stocks in accordance with methodological guidance developed [or to be further developed] by the SBSTA, including any decisions and/or guidance to be adopted by the COP on this matter, [and be consistent with the overall approaches to measurement, reporting and verification of nationally appropriate mitigation actions by developing countries Parties described in paragraph xx (*in section on MRV of NAMAs*)] [and recognizing the need for higher-tier levels of measurement, reporting and verification for activities supported by markets].

14. Parties [shall] [should] measure and report greenhouse gas emission reductions and removals and changes in forest carbon stocks in relation to the national reference emission levels or reference levels established for actions referred to in paragraph 2 above, in accordance with any reporting guidelines that will be developed by the SBSTA [,and record the information under the NAMA registry].

15. Verification of reported greenhouse gas emission reductions and removals and changes in forest carbon stocks in relation to the national reference emission levels or reference levels established for actions referred to in paragraph 2 above shall be carried out in accordance with guidelines to be [agreed] [decided] by the COP.

⁴ *To consider moving paragraphs 8 and 11 above to text being considered by the contact group on enhanced action on the provision of financial resources and investment.*

Access to support referred to in paragraph 11 above does not limit access to support for activities under paragraph 8.

⁵ Refer to document FCCC/SBSTA/2009/3, Annex I.

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

16. In the measurement, reporting and verification of actions referred to in paragraph 2 above, Parties, in applying guidelines and methodological guidance referred to in paragraphs 12–15 above, [shall] [should] make use of the existing institutional arrangements to the extent possible.

4. Measurement, reporting and verification of support

17.

Option 1

[Means for measuring, reporting and verification of support by Parties shall be undertaken in accordance with general provisions regarding the reporting, measuring and verifying of NAMAs.]

Option 2

[[Developed country] Parties, when providing support to actions referred to in paragraph 2 above in developing countries, [shall][should] provide information on the extent and type of support, and the nature of the action for which the support is provided [to be entered in the NAMA registry].]

18. [Measurement, reporting and verification of support provided [by developed country Parties to developing country Parties] for actions referred to in paragraph 2 above [should][shall] be carried out [by a technical panel comprised of experts equitably balanced between developed and developing countries][by the expert panel appointed by the COP as referred to in paragraph 13 above].]

5. Institutional arrangements

Guiding framework

19. Institutional arrangements,

Option 1

[to support actions referred to in paragraph 2 above, taking into account the principles referred to in paragraphs 3 and 4 above, shall operate under the authority and guidance of, and be fully accountable to, the COP.]

Option 2

[to support actions referred to in paragraph 2 above, as part of the institutional framework proposed to support nationally appropriate mitigation actions in developing countries, taking into account the principles referred to in paragraphs 3 and 4 above, shall operate under the authority and guidance of, and be fully accountable to, the COP.]

Parties shall be represented in an equitable and balanced manner in these institutional arrangements and they shall operate in a fully transparent, efficient, effective mode[, and using existing institutional arrangements to the extent possible].

20. The institutional arrangements [shall] [should] support financial arrangements for and implementation of actions referred to in paragraph 2 above, through:

Finance

- (a) Providing adequate, predictable and sustainable financial resources;
- (b) Providing coherence and coordination between various sources of financing;

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

- (c) [Developing and applying guidance and criteria] [Advising] on actions that can be funded and by determining from which source;

Coordination of activities

- (d) Coordination of activities by internationally accredited agencies, including ongoing activities;

MRV

- (e) Supporting and assisting regional and national capacity-building in developing country Parties on monitoring, reporting and verification of these actions.
- (f) Applying guidelines, procedures and methodologies decided by the COP [, including making use of the existing institutional arrangements to the extent possible,] in the monitoring, reporting and verification of these actions;

Institutions

- 21. Referring to the functions identified in paragraph 18 (a)–(c) above, the COP [shall] [should]:
 - (a) Develop the necessary arrangements identified in paragraphs 7 and 9 above (*Means of implementation*)
 - (b) Establish [a board] to manage financial arrangements;
 - (c) Establish an expert group or a committee supported by a technical panel/ technical panels to advise the specialized funds or funding windows;
- 22. Referring to the functions identified in paragraph 18 (e)–(f) above, the COP [shall] [should] establish [facilitate the establishment of] the following institutions:
 - (a) Regional REDD centres for capacity-building of MRV functions;
 - (b) [An expert review team] [A measurement, reporting and verification technical panel] for the verification of actions[, in the case of sub-national scale activities by an independent body];
 - (c) [A technical panel comprised of experts from developed and developing countries, represented in a balanced and equitable manner, for measurement, reporting and verification of support actions.
 - (d) An entity or group of entities or bodies designated by the COP [to verify and certify the emission reductions [or removals] achieved] [to assess the emissions and removals].

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

[Alternative to section C in document FCCC/AWGLCA/2009/INF.1:

A. OBJECT AND PURPOSE

x.1 to x.6	(original text from FCCC/AWGLCA/2009/INF.1)
------------	---

B. DEFINITIONS

x.7	(original text from FCCC/AWGLCA/2009/INF.1)
-----	---

C. SCOPE

x.8 to x.9	(original text from FCCC/AWGLCA/2009/INF.1)
------------	---

D. PRINCIPLES AND GUIDELINES

x.10 to x.11	(original text from FCCC/AWGLCA/2009/INF.1)
--------------	---

E. MEASUREMENT, REPORTING AND VERIFICATION (MRV)

x.12 to x.15	(original text from FCCC/AWGLCA/2009/INF.1)
--------------	---

F. REFERENCE LEVELS

x.16 to x.21	(original text from FCCC/AWGLCA/2009/INF.1)
--------------	---

G. PARTICIPATION

x.22 to x.25	(original text from FCCC/AWGLCA/2009/INF.1)
--------------	---

H. MODALITIES AND PROCEDURES

x.26 to x.37	(original text from FCCC/AWGLCA/2009/INF.1)
--------------	---

I. INSTITUTIONAL FRAMEWORK

x.38	(original text from FCCC/AWGLCA/2009/INF.1)
------	---

Annex A to E	(original text from FCCC/AWGLCA/2009/INF.1)
--------------	---

]
