

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

**Non-paper No. 49\***

06/11/09 @ 10.00

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

**Subgroup on paragraph 1 (b) (iv) of the Bali Action Plan  
(Cooperative sectoral approaches and sector-specific actions)**

**Draft text**

**Proposed by the facilitator**

*[What cooperative sectoral approaches and sector-specific actions (CSAs) should do]:*<sup>1</sup>

1. [[Cooperative sectoral approaches and sector-specific actions [shall][should][enhance the][be focused on the enhanced] implementation of Article 4.1 (c) of the Convention, on:]
  - (a) [The development, application and diffusion, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases not controlled by the Montreal Protocol, applicable to all relevant sectors, including, but not limited to, the energy, transport, industry, agriculture, forestry, health, tourism and waste management sectors;]
  - (b) [The provision of information on available technologies, and strengthening conditions of access to and financing transfer of these technologies, including the development of effective modalities for the implementation of all stages of the technology cycle, from development, application, transfer, and diffusion for the implementation of NAMAs;]
  - (c) [Actions that cover the whole scope of technologies for both adaptation and mitigation, including those that control, reduce and prevent emissions, and for abatement of increases in emissions and enhancement of and removal by sinks, and include those technologies that are publicly owned or in the public domain, as well as those held by the private sector.]]
2. [Cooperative sectoral approaches and sector-specific actions should enhance the implementation of Article 4.1 (g) and (h) of the Convention through the provision of financial resources, including for transfer of technology, at agreed full incremental costs in accordance with Article 4.3 of the Convention.]
3. [[Cooperative sectoral approaches and sector-specific actions should:]
  - (a) [Be applied at the national level [only];]
  - (b) [[Be tailored to][Take into account] national sector-specific needs and priorities and [consider] social and economic conditions and other relevant factors.]]

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\* This non-paper supersedes non-paper No. 17.

<sup>1</sup> The headings in italics are used to indicate structure but will be removed from the text.

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4. [Global sectoral approaches should address emissions that cannot be attributed to any particular economy.]
5. [*What they should do for all Parties*]:
- (a) [The implementation of cooperative sectoral approaches and sector-specific actions should [be of voluntary nature][should not be imposed by one Party on another] and [complement and support national commitments of all Parties under Article 4.1;]]
  - (b) [Be used in the definition, analysis and implementation of mitigation actions in developed and developing countries and may also be used as instruments for both market and non-market mechanism;]
  - (c) [Bottom-up sectoral analysis may be used as a tool for analysing mitigation potential and informing national mitigation efforts, based on recent scientific findings and existing knowledge, taking into account the capabilities of each sector using a common methodology to determine sectoral baselines of Parties;]
  - (d) [Contribute to the enhancement of Parties' [measurable, reportable and verifiable] actions in order to ensure environmental integrity;]
  - (e) [[Assist in fostering][Foster private- and public-sector][national initiatives in R&D, capacity-building and [technological] [technology] cooperation.]]
6. [*What they should not do*]:
- (a) [Cooperative sectoral approaches and sector-specific actions should not be used to circumvent or undermine the differentiation made in the Convention between Annex I Parties and non-Annex I Parties or to modify their respective commitments and obligations;]
  - (b) [The implementation of cooperative sectoral approaches should [not replace the national targets of developed country Parties [or lead to [new commitments for developing country Parties, [transnational or national emission reduction targets,]] arbitrary or unjustifiable discrimination or disguised restrictions on international trade[, or the application of global uniform and equal standards for Parties]]];]
  - (c) [Cooperative sectoral approaches shall not be a basis for the imposition of trade barriers, punitive trade measures, benchmarking or standards for developing countries, or any action that would be contrary to Article 3.5 of the Convention;]
  - (d) [Sectoral approaches and sector-specific actions should be cooperative and not imposed by one Party or some Parties on other Parties;]
  - (e) [In particular, inclusion of international transport in an ETS shall not impose constraints and incremental costs on developing countries. Developing countries should be exempted or, if included, they should be given financial and technological support to enable them to comply with these provisions without incurring any incremental costs.]
7. [*What they should do for developed country Parties*]:
- [For developed country Parties, sectoral efforts may contribute to, but cannot replace, legally binding absolute emission reduction targets (QELRCs) and mitigation commitments for all Annex I Parties.]

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8. [What they should do for developing country Parties]:
- (a) [[[Facilitate][Assist] [as appropriate] in [achieving] [obtaining] [the levels of] financing and technology transfer] [and know-how] [necessary to address climate change] in a measurable, reportable and verifiable manner;]
  - (b) [Facilitate the identification of best practices and best available technologies for each sector through cross-border analysis and promote [the exchange of information and] the transfer of those best practices and best available technologies [from developed country Parties through analysing reduction potentials and setting indicators];]
  - (c) [For developing country Parties, domestic sectoral efforts may be one option in the toolbox for national mitigation actions.]
9. [Actions by developing countries to control their GHG emissions in the framework of cooperative sectoral approaches or sector-specific actions represent modalities of their implementation of Article 4.1 of the Convention. Annex II Parties must therefore meet their commitments for the provision of financial support in accordance with Article 4.3 and for the transfer of environmentally sound technology and know-how in accordance with Article 4.5 of the Convention. Article 4.7 on the balance between the provision of support by developed country Parties and implementation by developing country Parties also applies to such cooperative sectoral approaches or sector-specific actions.]
10. [[Means of implementation:
- (a) [Implementation of Article 4.1 (c) shall be financed at agreed full incremental costs, in accordance with Article 4.3 of the Convention;]
  - (b) [Provision of financial resources and promotion and facilitation of access and transfer of technology in implementation of Article 4.1 (c) shall be accomplished under the guidance of the Executive Body on Technology of the Convention and the financial mechanism to be established under the authority of the Conference of the Parties.]]
11. [Priority areas shall be identified sector by sector and technology by technology. The possibilities of utilizing renewable energy resources shall be explored fully. The most climate-sensitive sectors, including GHG-intensive and climate-vulnerable sectors, shall be fully considered for the development, transfer and deployment of environmentally sound technologies. In line with the technology transfer mechanism and taking into account, among others, countries' technology needs assessments (TNA), if available, a list of major environmentally sound technology needs shall be assessed regularly, to include analysis of reliability, costs, penetration range, sectoral share of market production capacity and market obstacles. Measures shall be taken to overcome obstacles to development, transfer and deployment of technologies in specific sectoral contexts.]
- Agriculture*
12. All Parties [, reaffirming the objective, principles and provisions of the Convention and taking into account] [specifically taking into account Article 2, Article 3, paragraph 5, and Article 4, paragraph 1 (c), of the Convention, and] their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, [and that adaptation is of paramount importance to ensure food security,] [shall] [make efforts to enhance mitigation] [in the agriculture sector]:
- (a) Keep[ing] in mind the need to improve the efficiency and productivity of agricultural production systems [when considering mitigation in agriculture], in a sustainable manner,

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[taking into account the relationship of agriculture [to][and] food security [and to adaptation], the linkages between mitigation and adaptation, the interests of small and marginal farmers and [indigenous and] traditional knowledge and practices];

- (b) [[Including] [by] promoting and cooperating] [promote and cooperate] in the research, development, application and diffusion, including transfer, of technologies, practices and processes [[and methodologies] that could contribute to enhance mitigation and adaptation] in the agriculture sector;
- (c) [Ensuring that cooperative sectoral approaches in the agriculture sector should not result in the creation of international performance standards for the sector or any other measure that may adversely affect sustainable development and result in barriers to or distortion of, the international trade system of goods and products of the agriculture sector;]
- (d) [Ensuring that cooperative sectoral approaches in the agriculture sector shall not lead to carbon offsets or approaches that adversely impact forest land].

13. In this respect, requests the SBSTA, at its thirty-second session, to establish a programme of work [to facilitate] [mitigation in the agriculture sector[, considering the links to adaptation]] [on agriculture] [to enhance [the full, effective and sustained] implementation of article 4.1(c)], and invites Parties to submit their views on the [content [and scope] of the] work programme.

*International bunker fuels*

**Option 1**

*[The Conference of the Parties....*

14. Agrees to pursue the limitation and reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, working through the International Civil Aviation Organization and the International Maritime Organization, respectively.

15. Encourages the International Civil Aviation Organization and the International Maritime Organization to continue, without delay, their activities for the development of policy approaches and measures to limit and reduce greenhouse gas emissions, and specifically:

- (a) To establish sufficiently ambitious mid-term and long-term global goals for the limitation and reduction of greenhouse gas emissions from aviation and marine bunker fuels, respectively, to be achieved through the application of their policy approaches and measures;
- (b) To report to the Conference of the Parties, at its seventeenth session, and to its subsidiary bodies as appropriate, and at regular intervals thereafter, on relevant activities, policy approaches and measures established and under development, emission estimates and achievements in this respect.]

**Option 2**

16. [[Taking into account the interests of developing countries,][All Parties][Developed country Parties][Parties][Annex I Parties] shall pursue the limitation or reduction of emissions of GHGs not controlled by the Montreal Protocol from aviation and marine bunker fuels, working through the International Civil Aviation Organization and the International Maritime Organization, respectively.]

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**Option 3<sup>2</sup>**

17. [In addressing emissions from international aviation and the maritime transport sector, the International Civil Aviation Organization and the International Maritime Organization shall be guided by the relevant provisions and principles of the Convention, in particular the principles of equity, common but differentiated responsibilities, and promotion of a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, in particular developing country Parties. The adoption of measures that could convert in disguised restrictions on international trade should be prevented, and the special economic and social conditions of developing countries should be taken into account.]

18. Noting that emissions from aviation and maritime transport can not be attributed to a particular economy, any measures taken by developed country Parties through ICAO and IMO to reduce emissions from these sectors shall be taken on the basis of mutual consent of all Parties involved. In this regard, such measures should not constitute discrimination or disguised restriction on international trade.]

**Option 4**

19. [Parties shall take the necessary action to reduce emissions of GHGs not controlled by the Montreal Protocol from aviation and marine bunker fuels.]

20. Global reduction targets for such emissions from aviation and marine bunker fuels shall be set as equal to 10 per cent and 20 per cent, respectively, below 2005 levels by 2020. Units from existing and potential new flexibility mechanisms may contribute towards achieving these targets.]

21. Parties shall work through the International Civil Aviation Organization and the International Maritime Organization to enable effective global agreements to achieve these targets to be approved by 2011. Such global agreements should not lead to competitive distortions or carbon leakage. Parties shall assess progress in the implementation of this work, and take action to advance it, as appropriate.]

**Option 5**

22. [The Parties should pursue a collective reduction of [X per cent] below [year XXXX] for emissions of anthropogenic greenhouse gases not controlled by the Montreal Protocol from international aviation bunker fuels and [Y per cent] below [year XXXX] levels for emissions of anthropogenic greenhouse gases not controlled by the Montreal Protocol from international marine bunker fuels in the commitment period [20XX to 20XX].]

23. The Parties should commence negotiations on two global sectoral agreements to address, international aviation and maritime transport emissions, respectively, in 2010 with a view to concluding by COP 17 in 2011, taking into account work already carried out by ICAO and IMO.]

**Option 6<sup>3</sup>**

24. [All Parties reaffirming the objective, principles and provisions of the Convention and specifically taking into account Article 2, Article 3, paragraph 5, Article 4, paragraph 1(c) of the Convention, their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall promote and cooperate in the research, development, application and diffusion, including transfer, of technologies, practices, processes and methodologies in international aviation and maritime transport.]

**Option 7** - Delete the entire section on international bunker fuels.

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<sup>2</sup> This option should replace the entire section on international bunker fuels.

<sup>3</sup> This option should replace the entire section on international bunker fuels.

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25. [All sectors of the economy[, in particular those of Annex I Parties,] should contribute to limiting emissions, including international maritime shipping and aviation. [Multilateral collaborative action would be the most appropriate means to address emissions from international aviation and the maritime transport sector. The International Civil Aviation Organization and the International Maritime Organization in dealing with this issue should prevent the adoption of trade restrictions and take into account the special economic conditions of developing countries and the principles of equity and common but differentiated responsibilities and capabilities.]

26. [[Revenue from the implementation of such policy instruments [shall][should] be made available to support climate change adaptation and mitigation (NAMA) in developing countries. Furthermore traffic on routes to and from SIDS and LDCs should be exempt.] [One option to raise revenue is to implement a market-based levy on emissions from international maritime transport which differentiates between responsibilities [and capabilities] of developed and developing countries. Such levy would apply globally.<sup>4</sup>]]

27. [Pending agreement in these organizations on an approach to addressing GHG emissions from these sectors, involvement of developing countries in unilateral regional schemes for these sectors should remain voluntary.]

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<sup>4</sup> A detailed proposal for innovative financing through the International Maritime Emission Reduction Scheme was submitted and is available at  
<[http://unfccc.int/files/meetings/ad\\_hoc\\_working\\_groups/lca/application/pdf/awglcafincancenigeria051109.pdf](http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/awglcafincancenigeria051109.pdf)>.