



SUBMISSION BY POLAND AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Warsaw, 23 November 2011

Subject: Proposal for a draft decision 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 (AWG-LCA agenda item 3.2.3)

The Conference of the Parties,

Recalling the principles and provisions set forth in decision 1/CP.16 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 and its appendices I and II,

Further recalling decisions 1/CP.13, 2/CP.13, 4/CP.15 and xx/CP.17 (SBSTA),

Also recalling paragraphs 68, 69, 70, 71, 72, 73, 74, 76, 77 and 78 of decision 1/CP.16,

Reaffirming that, in the context of the provision of adequate and predictable support to developing country Parties, Parties should collectively aim to slow, halt and reverse forest cover and carbon loss, according to national circumstances, consistent with the ultimate objective of the Convention, as stated in its Article 2;

Determined that policy measures and positive incentives for mitigation action in the forest sector should contribute to poverty alleviation and biodiversity co-benefits, including strengthening ecosystem resilience and services;

Different sources of finance; mitigation actions in the forest sector being implemented by developing country Parties as referred to in decision 1/CP.16, paragraph 70, and the role of different sources of financing; links with other financial instruments under the Convention and/or being developed by the AWG-LCA

1. *Encourages* Parties, in particular developed country Parties, to continue supporting, through multilateral and bilateral channels, the development of national strategies or action plans, policies and measures and capacity-building, provided that they are consistent with appendix I to Decision 1/CP.16;



2. *Agrees* that the financial mechanism of the Convention should provide funding for results-based actions referred to in paragraph 73 of decision 1/CP.16 and *encourages* other multilateral, bilateral and domestic channels to increase funding for results-based actions;
3. *Underlines* the need to mobilise private sector investment increasingly over time, and the need to promote investments in sustainable land use that address the drivers of deforestation and forest degradation;
4. *Considers* that verified emission reductions resulting from the activities referred to in paragraph 70 of Decision 1/CP.16 could in the medium term be used for compliance subject to strict quantitative limitations and could, in light of experience gained, and after thorough review, in the medium to long term be phased into international carbon market pending an international agreement on climate change with more ambitious emission reductions targets, under the condition that environmental and market integrity are preserved, robust measurement, reporting and verification requirements are met, and the provisions of appendix I to Decision 1/CP.16 are fully respected;
5. *Decides* that the activities referred to in paragraph 70 of Decision 1/CP.16 shall be measured, reported and verified in accordance with CP17 decisions on guidelines for biennial reports by non-Annex I Parties, and on the modalities and procedures for International Consultation and Analysis; as well as in accordance with any further relevant COP decisions including those establishing the guidelines for the preparation of national communications by Non-Annex I Parties;
6. *Further decides* that the activities referred to in paragraph 70 of Decision 1/CP.16 shall adhere to the additional modalities and procedures contained in decision xx/CP17 (SBSTA) and any subsequent relevant decisions;
7. *Emphasizes* that funding for results-based actions referred to in paragraph 73 of decision 1/CP.16, including results-based demonstration activities under phase 2, should be guided by the provisions referred to in paragraphs 68, 69, 70, 71 and 72 of decision 1/CP.16 and that financial incentive schemes under the activities referred to in paragraph 70 of Decision 1/CP.16 should lead to long term mitigation action in the forest sector, while contributing to adaptation, sustainable economic development, biodiversity and livelihoods benefits;
8. Requests Parties to seek synergies with other forms of financing for forests, in particular financing related to the preservation of natural ecosystems, social benefits and sustainable land use policies;



Linkages with modalities relating to the SBSTA work programme

9. *Requests* the SBSTA to initiate a programme of work with a view to elaborate modalities and procedures for assessing performance towards results-based actions and results-based demonstration activities referred to in paragraph 73 of decision 1/CP.16 in relation to methodological guidance as contained in decision xx/CP.17 (SBSTA) and to report to the Conference of the Parties, at its nineteenth session, on progress made, including any recommendations for draft decision on this matter;