

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

Thirteenth session

Cancun, 29 November 2010—*

Agenda item 3

**Preparation of an outcome to be presented to the Conference of the Parties
for adoption at its sixteenth session to enable the full, effective and sustained
implementation of the Convention through long-term cooperative action now,
up to and beyond 2012**

Elements of the outcome

Note by the Chair

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

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Introduction

1. The Chair of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) made available on 4 December 2010 a note prepared under her own responsibility on possible elements of the outcome.¹ This note had no formal status and was not meant to replace the negotiating text before the thirteenth session of the AWG-LCA contained in document FCCC/AWGLCA/2010/14. It was a contribution for Parties to use as they saw appropriate.
2. The present document reflects the effort by the Chair, after consultation with facilitators, to capture progress made to date in drafting groups during the thirteenth session of the AWG-LCA. This document is prepared under the responsibility of the Chair.
3. This document is made available to Parties in the hope that it will facilitate convergence on an outcome to be presented to the Conference of the Parties at its sixteenth session.

¹ FCCC/AWGLCA/2010/CRP.2

The Conference of the Parties

[Preamble]

I. A shared vision for long-term cooperative action

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

2. *Further affirms* that:

(a) Scaled-up overall mitigation efforts that allow for the achievement of desired stabilization levels are necessary, with developed country Parties showing leadership by undertaking ambitious emission reductions and in providing technology, capacity-building and financial resources to developing country Parties, in accordance with the relevant provisions of the Convention;

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

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

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

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

3. *Recognizes* that warming of the climate system is unequivocal and that most of the observed increase in global average temperatures since the mid twentieth century is very likely due to the increase in anthropogenic greenhouse gas concentrations, as assessed by the Intergovernmental Panel for Climate Change in its Fourth Assessment Report;

4. *Further recognizes* that deep cuts in global emissions are required according to science, and as documented in the Fourth Assessment Report, with a view to reducing global greenhouse gas emissions so as to hold the increase in global average temperature below [1][1.5][2] degree[s] Celsius above pre-industrial levels, and decides that Parties should take urgent action to meet this objective consistent with science and on the basis of equity;

5. *Further decides* that,

Option 1: taking into account historical responsibilities and in the context of equitable access to global atmospheric space:

Option 2: taking into account that the largest share of historical global emissions of greenhouse gases has originated in developed countries and that all countries, especially developing countries, need access to resources required to achieve sustainable social and economic development:

(a) Parties should cooperate in achieving stabilization of greenhouse gas concentrations in the atmosphere at well below 350 parts per million of carbon dioxide equivalent;

(b) Parties should collectively reduce global emissions by at least 50 per cent from 1990 levels by 2050;

(c) Developed country Parties as a group should reduce their greenhouse gas emissions by [at least 80-95] [more than 95] per cent from 1990 levels by 2050;

6. *Also decides* that Parties should cooperate in achieving the peaking of global and national emissions [as soon as possible][in 2015], recognizing that the time frame for peaking will be longer in developing countries and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-emission development strategy is indispensable to sustainable development;

7. *Recognizes* the need to engage a broad range of stakeholders at global, regional, national and local levels, be they government, including subnational and local government, private business or civil society, including the youth and persons with disability, and that gender equality and the effective participation of women and indigenous peoples are important for effective action on all aspects of climate change;

8. *Emphasizes* that Parties should, in all climate change-related actions, fully respect human rights;

9. *Confirms* that Parties, especially developing country Parties that would have to bear a disproportionate or abnormal burden under the long-term cooperative action under the Convention should be given full consideration;

II. Enhanced action on adaptation

10. *Agrees* that adaptation [to the adverse effects of climate change] [and/or to the impact of the implementation of response measures] is a challenge faced by all Parties, and that enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing country Parties, taking into account the urgent and immediate needs of those developing countries that are particularly vulnerable [to the adverse effects of climate change]

[especially the least developed countries and small island developing States, and further taking into account the needs of countries in Africa affected by drought, desertification and floods]

[and the needs of other low-lying and small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems];

11. *Affirms* that enhanced action on adaptation should be undertaken in accordance with the Convention; follow a country-driven, gender-sensitive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems; and be based on and guided by the best available science and, as appropriate,

traditional and indigenous knowledge; with a view to integrating adaptation into relevant social, economic and environmental policies and actions, where appropriate;

12. *Establishes* an Adaptation Framework encompassing the provisions laid out below, with the objective of enhancing action on adaptation, including through international cooperation and coherent consideration of matters relating to adaptation under the Convention, including through strengthening, enhancing and better utilizing existing institutional arrangements and expertise under the Convention;

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

(a) Planning, prioritizing and implementing adaptation actions, including projects and programmes,² and actions identified in national and subnational adaptation plans and strategies, national adaptation programmes of action of the least developed countries, national communications, technology needs assessments and other relevant national planning documents;

(b) Impact, vulnerability and adaptation assessments, including assessments of financial needs as well as economic, social and environmental evaluation of adaptation options;

(c) Strengthening institutional capacities and enabling environments for adaptation, including for climate-resilient development and vulnerability reduction;

(d) Building resilience of socio-economic and ecological systems, including through economic diversification and sustainable management of natural resources;

(e) Enhancing climate change related disaster risk reduction strategies, taking into consideration the Hyogo Framework for Action³ where appropriate; early warning systems; risk assessment and management; and sharing and transfer mechanisms such as insurance, at local, national, subregional and regional levels, as appropriate;

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

(g) Research, development, demonstration, diffusion, deployment and transfer of technologies, practices and processes; and capacity-building for adaptation, with a view to promoting access to technologies, in particular in developing country Parties;

(h) Strengthening data, information and knowledge systems, education and public awareness;

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

14. [*Establishes* a process] [*Decides* to consider further ways] to enable least developed country Parties to formulate and implement national adaptation plans, building upon their experience in preparing and implementing national adaptation programmes of action, as a means of identifying medium and long-term adaptation needs and developing and implementing strategies and programmes to address those needs;

² Including in the areas of water resources; health; agriculture and food security; infrastructure; socio-economic activities; terrestrial, freshwater and marine ecosystems; and coastal zones.

³ <<http://www.unisdr.org/eng/hfa/hfa.htm>>.

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

16. *Invites* other developing country Parties to employ the modalities formulated to support the national adaptation plans mentioned in paragraph 14 above, in the elaboration of their planning effort referred to in paragraph 13(a) above;

17. *Requests* developed country Parties to provide developing country Parties with the necessary finance, technology, and capacity-building, consistent with chapter IV of this decision, to implement urgent, short-, medium- and long-term adaptation actions, plans, programmes and projects at local, national, subregional and regional levels, in and across different economic and social sectors and ecosystems, as well as to undertake the activities referred to in paragraphs 13–14 above and paragraphs 27, 29 and 30 below;

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

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

20.

Option 1:

Establishes hereby the Adaptation Committee to promote implementation of enhanced action on adaptation in a coherent manner under the Convention, inter alia, through the following functions:

Option 2:

Decides to further consider how to strengthen, enhance and better utilize existing institutional arrangements, and the need for new institutional arrangements, as appropriate, to improve coherence in the consideration of adaptation matters under the Convention with a view to facilitating the following functions:

(a) Providing technical support and guidance to Parties, respecting the country-driven approach, with a view to facilitating the implementation of adaptation activities, including those listed in paragraphs 13 and 14 of this decision, where appropriate;

(b) Strengthening, consolidating and enhancing the sharing of relevant information, knowledge, including traditional knowledge, experience and good practices, at local, national, regional and international levels, as appropriate;

(c) Promoting synergies and strengthening engagement with national, regional and international organizations, centres and networks, to enhance the implementation of adaptation actions, in particular in developing country Parties;

(d)

Option 1:

Providing guidance, guidelines and recommendations to the Conference of the Parties, on enabling means of implementation for adaptation commitments under the Convention through the financial mechanism, following a country-driven approach;

Option 2:

Facilitating the provision of information on sources of support, including for finance, technology and capacity-building, and adaptation good practices to help guide effective adaptation actions, including to financing mechanisms, as appropriate;

(e) Considering information communicated by Parties on their monitoring and review of adaptation actions, support provided and received, possible needs and gaps and other relevant information, including information communicated under the Convention, with a view to recommending what further actions may be required, as appropriate;

21. Invites Parties to submit to the secretariat, by February 21, 2011, views on the composition of, and modalities and procedures for, the Adaptation Committee, including on proposed linkages with other relevant institutional arrangements;

22. Requests the secretariat to compile these submissions into a miscellaneous document to be made available by the fourteenth session of the AWG-LCA, and to prepare a synthesis report based on those submissions by the fourteenth session of the AWG-LCA;

23. Requests the AWG-LCA, taking into account the above-mentioned submissions and synthesis report, to elaborate the composition of, and modalities and procedures for, the Adaptation Committee for adoption by the Conference of the Parties at its seventeenth session;

24. *Requests* the AWG-LCA, in elaborating the above-mentioned modalities and procedures, to define, as appropriate, linkages with other relevant institutional arrangements under and outside the Convention, including at national and regional levels;

25. *Recognizes* the need to strengthen international cooperation and expertise to understand and reduce loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow onset events;⁴

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

27. *Invites* Parties to strengthen and, where necessary, establish regional centres and networks, in particular in developing countries, with support from developed country Parties and relevant organizations, as appropriate; and to facilitate and enhance national and regional adaptation actions, in a manner that is country-driven, encourages cooperation and coordination between regional stakeholders and improves the flow of information between the Convention process and national and regional activities;

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

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

30. *Decides* that all Parties should use existing channels to provide information, as appropriate, on support provided and received for adaptation actions in developing

⁴ Including sea level rise, increasing temperatures, ocean acidification, glacial retreat and related impacts, salinization, land and forest degradation, loss of biodiversity and desertification.

countries pursuant to Article 12, paragraph 3, of the Convention; and on activities undertaken, including progress made, experiences and lessons learned, with a view to identifying insufficiencies and discrepancies of support and to ensure transparency and accountability;

31. *Invites* relevant multilateral, international, regional and national organizations, the public and private sectors, civil society and other relevant stakeholders to undertake and support enhanced action on adaptation at all levels, including under the Adaptation Framework, as appropriate, in a coherent and integrated manner, building on synergies among activities and processes, and to make available information on the progress made;

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

III. Enhanced action on mitigation

A. Nationally appropriate mitigation commitments or actions by developed country Parties⁵

Emphasizing the need for deep cuts in global greenhouse gas emissions and early and urgent undertakings to accelerate and enhance the implementation of the Convention by all Parties, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities,

Acknowledging that the largest share of historical global emissions of greenhouse gases has originated in developed countries and that, owing to this historical responsibility, developed country Parties must take the lead in combating climate change and the adverse effects thereof,

33. [Recognizes the intention of developed countries to implement the quantified economy-wide emission reduction targets] [Decides that developed countries shall undertake, individually or jointly, the quantified economy-wide emission limitation and reduction commitments] contained in [Annex X to this decision][information document]. For Parties to the Kyoto Protocol, the quantified economy-wide emission limitation and reduction commitments listed are those adopted in the amended Annex B to the Kyoto Protocol];

34. Urges developed country Parties to increase the ambition of their economy-wide emission reduction targets, with a view to reducing their aggregate anthropogenic emissions of carbon dioxide and other greenhouse gases not controlled by the Montreal Protocol by [X] per cent below 1990 levels by [date];

35. Requests the secretariat to organize [x] workshops to clarify the assumptions and the conditions related to the attainment of these targets, including the use of carbon credits from the market-based mechanisms and land use, land-use change and forestry activities, and options and ways to increase their level of ambition;

36. Requests the secretariat to prepare a technical paper based on Parties' submissions with the aim of facilitating understanding of the assumptions and conditions related to the

⁵ Note from the Chair: In the context of negotiations on item 1 (b) (i) of the Bali Action Plan, Parties have used different terms such as 'all developed country Parties', 'all Annex I Parties', 'those Annex I Parties that are not Parties to the Kyoto Protocol', 'all developed country Parties and other Parties that voluntarily wish to take quantified emission reduction or limitation commitments'. Depending on the results of the negotiations, the terms used in this context may need to be made consistent.

attainment of their emission reduction targets and comparison of the level of emission reduction efforts;

37. Requests the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to continue to work towards [a legally-binding instrument] [an outcome] [that includes comparable economy-wide emission reduction commitments for all developed countries], without prejudice to a second commitment period under the Kyoto Protocol] [adoption of legally-binding quantified economy-wide emission limitation and reduction commitments for developed countries; for Parties to the Kyoto Protocol, the quantified economy-wide emission limitation and reduction commitments will be those adopted under an amended Annex B to the Kyoto Protocol.];

38. Agrees to enhance reporting in the national communications of Parties included in Annex I to the Convention on mitigation actions or commitments and their effects, and on the provision of financial, technological and capacity-building support to developing country Parties as follows:

(a) Developed countries shall submit biennial reports on their progress in achieving emission reductions, including information on mitigation actions and emission reductions achieved, [and on the provision of financial, technology and capacity-building support to developing country Parties];

(b) Developed countries shall submit supplementary information on the achievement of quantified economy-wide emission reductions;

(c) Developed countries shall improve the reporting of information on the provision of financial, technology and capacity-building support to developing country Parties;

39. Agrees to enhance guidelines for the review of information in national communications with respect to the following:

(a) Progress made in achieving emission reductions;

(b) Provision of financial, technology and capacity-building support to developing country Parties;

40. Agrees that developed countries shall establish national systems for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol;

41. Agrees to develop provisions to ensure that accounting of emissions and removals is rigorous, robust, comparable and transparent;

42. *Agrees* to establish a process for [a multilateral consultations under the Convention][facilitation and enforcement of commitments]][compliance];

43. *Decides* that this process will provide an opportunity for Parties to ask written questions of the [Party][Parties] concerned, responses from the [Party][Parties] concerned, and expert technical analysis in consultation with the [Party][Parties] concerned and a summary report of the consultations;

44. *Encourages* developed countries to develop low-emission development strategies;

45. *Agrees* on the following work programme for the development of modalities and guidelines described above, and as shown in the table:

(a) The revision of guidelines on the reporting of national communications, including the biennial report:

- (i) The provision of financing, through more standardized reporting and tracking of climate-related support;
- (ii) Supplementary information on achievement of quantified economy-wide emission reductions guidelines;
- (iii) Information on national inventory systems;
- (b) The revision of guidelines for the review of national communications, including the biennial report, annual greenhouse gas inventories and national inventory systems;
- (c) The establishment of guidelines for national systems for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol;
- (d) Provisions to ensure that accounting of emissions and removals is rigorous, robust, comparable and transparent, [including the role of land use, land-use change and forestry, and carbon credits from market-based mechanisms] [taking into account relevant rules under the Kyoto Protocol] [applying Kyoto Protocol rules];
- (e) Modalities and arrangements for [multilateral consultations under the Convention][facilitation and enforcement of commitments][compliance];

<i>Element*</i>	<i>Body</i>	<i>Timeline</i>
Guidelines for reporting		[COP 17]
Guidelines for review		[COP 17]
Provisions for accounting		[COP 17]
Process of consideration		[COP 17]

B. Nationally appropriate mitigation actions by developing country Parties

Recognizing that developing country Parties are already contributing and will continue to contribute to a global mitigation effort in accordance with the principles and provisions of the Convention and could enhance their mitigation actions, depending on the provision of finance, technology and capacity-building support provided by developed country Parties,

Reaffirming that social and economic development and poverty eradication are the first and overriding priorities of developing country Parties, and that the share of global emissions originating in developing countries will grow to meet their social and development needs,

46. *Agrees* that developing country Parties will take nationally appropriate mitigation actions in the context of sustainable development, supported and enabled by technology, financing and capacity-building, [aimed at achieving a deviation in emissions relative to 'business as usual' emissions in 2020];

47. *Welcomes* the intention of developing countries to implement nationally appropriate mitigation actions contained in [Annex Y to this decision][information document];

* Element names will be changed to reflect subparagraphs of paragraph 45.

48. *Invites* developing countries that wish to voluntarily inform the Conference of the Parties of their intention to implement nationally appropriate mitigation actions in association with this decision to submit information on those actions to the secretariat;
49. *Requests* the secretariat to organize [x] workshops, to understand the diversity of mitigation actions submitted, underlying assumptions, and any support needed for implementation of these actions, noting different national circumstances and respective capabilities of developing country Parties;
50. *Decides* that, in accordance with Article 4, paragraph 3, of the Convention, developed country Parties shall provide enhanced financial, technological and capacity-building support for the preparation and implementation of nationally appropriate mitigation actions of developing country Parties and for enhanced reporting by these Parties;
51. *Decides* to set-up a registry to record nationally appropriate mitigation actions seeking international support and to facilitate matching of finance, technology and capacity-building support to these actions;
52. *Invites* developing country Parties to submit to the secretariat information on nationally appropriate mitigation actions for which they are seeking support, along with estimated costs and emission reductions, and the anticipated time frame for implementation;
53. *Invites* developed country Parties to submit to the secretariat information on support available and provided for nationally appropriate mitigation action;
54. *Requests* the secretariat to record and regularly update in the registry the information provided by Parties:
- (a) Nationally appropriate mitigation actions seeking international support;
 - (b) Support available from developed country Parties for these actions;
 - (c) Support provided for nationally appropriate mitigation actions;
55. *Agrees* to develop modalities for the facilitation of support through the registry referred to in paragraph 51 above, including any functional relationship with the financial mechanism;
56. *Decides* to recognize nationally appropriate mitigation actions of developing countries in a [separate section of the registry] [platform];
57. *Requests* the secretariat to record, and regularly update, information submitted by Parties, in a [separate section of the registry] [platform]:
- (a) Mitigation actions contained in [Annex Y to this decisions][information document]
 - (b) Additional mitigation actions submitted in association with paragraph 48 above;
 - (c) Once support has been provided, internationally supported mitigation actions and associated support;
58. *Agrees* to enhance reporting in national communications from Parties not included in Annex I to the Convention (non-Annex I Parties) on mitigation actions and their effects, and support received:
- (a) The content, frequency, [process and rigor] of national communications from non-Annex I Parties will be less than that for Parties included in Annex I to the Convention

and will provide flexibility for the least developed country Parties and small island developing states;

(b) Non-Annex I Parties shall submit their national communications to the Conference of the Parties, in accordance with Article 12, paragraph 1, of the Convention, within four years of the disbursement of financial resources to cover agreed full costs incurred by non-Annex I Parties in preparing their national communications;

(c) Developing countries [that contribute more than [x] per cent to the share of global greenhouse gas emissions][,consistent with their capabilities and the level of support provided] shall also submit biennial reports, containing [updates of] national greenhouse gas inventories and information on mitigation actions and support received;

59. *Decides* that domestically supported mitigation actions will be verified domestically [on a voluntary basis] in accordance with general guidelines to be developed under the Convention;

60. [*Decides* to [conduct international consultation and analysis of] [consider] [national communications [and biennial submissions]] [domestically funded actions] in a [multilateral process under the Convention], in a manner that is facilitative and non-punitive, builds confidence among Parties, fully respects national sovereignty, and aims to increase transparency of mitigation actions and their effects;

61. *Decides* that this process will provide opportunities for Parties to submit written questions to the [Party][Parties] concerned, responses from the [Party][Parties] concerned, and expert technical analysis in consultation with the [Party][Parties] concerned and a summary report of the consultations;

62. *Encourages* developing countries to develop low-emission development strategies in the context of sustainable development;

63. *Agrees* on the following work programme for the development of modalities and guidelines described above, and as shown in the table below:

(a) Modalities for the facilitation of support through the registry, including any functional relationship with the financial mechanism;

(b) Guidelines for measurement, reporting and verification of supported actions and corresponding support;

(c) Guidelines for biennial submission, as part of the revision of the guidelines for national communications from non-Annex I Parties, based on the most recent Intergovernmental Panel on Climate Change methodologies;

(d) General guidelines for domestic verification of domestically-funded mitigation actions;

(e) Modalities and arrangements for [international consultation and analysis][multilateral process under the Convention]

64. *Invites* Parties to submit views on the items in paragraph 63 by [date];

<i>Element*</i>	<i>Body</i>	<i>Timeline</i>
Facilitation of support		[COP 17]
MRV of supported actions and support		[COP 17]
Biennial submissions/national		[COP 17]

* Element names will be changed to reflect subparagraphs of paragraph 63.

communications

Domestic MRV

[COP 17]

ICA/Multilateral process

[COP 17]

C. Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

[*Affirming* that, in the context of adequate, predictable and sustainable support by developed 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 Article 2;]

65. *Encourages* all Parties to find effective ways to reduce the human pressure on forests that results in greenhouse gas emissions, including actions to address drivers of deforestation;

66. *Affirms* that the implementation of the activities referred to in paragraph 67 below should be carried out in accordance with annex II to this decision, and that the safeguards referred to in paragraph 2 of annex II to this decision should be promoted and supported;

67. *Decides* that developing country Parties [should] [may voluntarily] contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances:

- (a) Reducing emissions from deforestation;
- (b) Reducing emissions from forest degradation;
- (c) Conservation of forest carbon stocks;
- (d) Sustainable management of forest;
- (e) Enhancement of forest carbon stocks;

68. *Requests* developing country Parties aiming to undertake activities referred to in paragraph 67 above, with adequate, predictable and sustainable financial resources, and technical and technological support made available by developed countries, in accordance with national circumstances and respective capabilities, to develop the following elements:

- (a) A national strategy or action plan;
- (b) A national forest reference emission level and/or forest reference level, or, if appropriate, as an interim measure, subnational forest reference emission levels and/or forest reference levels, in accordance with national circumstances, and with provisions contained in decision 4/CP.15, and with any further elaboration of those provisions adopted by the Conference of the Parties;
- (c) A robust and transparent national forest monitoring system for the monitoring and reporting of the activities referred to in paragraph 67 above,

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

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

with, if appropriate, subnational monitoring and reporting as an interim measure,⁶ in accordance with national circumstances, and with the provisions contained in decision 4/CP.15, and, with any further elaboration of those provisions agreed by the Conference of the Parties;

69. *Requests* developing country Parties, when developing and implementing their national strategies or action plans, to address, inter alia, drivers of deforestation and forest degradation, land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of annex II to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia, indigenous peoples and local communities;

70. *Decides* that the activities undertaken by Parties referred to in paragraph 67 above should be implemented in phases beginning with the development of national strategies or action plans, policies and measures, and capacity-building, and an economic assessment of the amount of finance needed in order to enable their implementation, followed by the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified;

71. *Recognizes* that the implementation of the activities referred to in paragraph 67 above, including the choice of a starting phase as referred to in paragraph 70 above, depends on the specific national circumstances, capacities and capabilities of each developing country Party and the level of support received;

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

73.

[Option 1:

Requests the promotion and implementation of all the activities referred to in paragraphs 67 and 68 above, including consideration of the safeguards referred to in annex II to this decision, and early action, be supported in accordance with paragraph 1 of annex II to this decision and relevant provisions agreed by the Conference of the Parties, including:

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

[Option 2:

Urges Parties, in particular developed country Parties, to support, through existing multilateral and bilateral channels, the development of national strategies or action plans, policies and measures and capacity-building, followed by the implementation of national policies and measures, and national strategies or action plans, including consideration of the safeguards referred to in paragraph 2 of annex II to this decision, taking into account the relevant provisions on finance;

Requests [AWG-LCA] [SBI] to explore financing options [, inter alia, funds and market-based sources or a flexible combination thereof,] [and their implications] for the full

⁶ Including monitoring and reporting of emissions displacement at the national level, if appropriate, and reporting on how displacement of emissions is being addressed

implementation of the results-based actions referred to in paragraph 70 above, and to report on progress made, including any recommendations for draft decisions on this matter, to the Conference of the Parties at its seventeenth session;]

[Option 3:

Decides that the activities referred to in paragraph 67 undertaken by developing country Parties and the relevant phase of implementation referred to in paragraphs 69 and 70 do not constitute the establishment or use of market mechanisms;

Decides that reduction of emissions that results when developing country Parties undertake activities referred to in paragraph 67 will not constitute offsets that contribute to compliance with developed country Parties' emission reduction commitments;]

[and bearing in mind that these activities shall not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade in accordance with Article 3, paragraph 5 of the Convention.]]

74. *Requests* Parties to ensure coordination of the activities referred to in paragraph 67 above, including of the related support, particularly at the national level;

75. *Invites* relevant international organizations and stakeholders to contribute to the activities referred to in paragraphs 67 and 74 above;

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

E. Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries

Acknowledging the need to maintain consistency with the principles of the Convention,

Emphasizing the importance of contributing to sustainable development, including through technology transfer and other co-benefits,

Recognizing the importance of enhancing sustainable lifestyles and patterns of production and consumption,

Aware of the need to provide incentives in support of low-emission development strategies,

76. *Decides* to consider the establishment, at its seventeenth session, of one or more market-based mechanisms to enhance the cost-effectiveness of, and to promote, mitigation actions, taking into account the following:

(a) Ensuring voluntary participation of Parties, supported by the promotion of fair and equitable access for all Parties;

(b) Complementing other means of support for nationally appropriate mitigation actions by developing country Parties;

- (c) Stimulating mitigation across broad segments of the economy;
- (d) Safeguarding environmental integrity;
- (e) Ensuring a net decrease and/or avoidance of global greenhouse gas emissions;
- (f) Assisting developed country Parties to meet part of their mitigation commitments, while ensuring that the use of such mechanism or mechanisms is supplemental to domestic mitigation efforts;
- (g) Ensuring good governance and robust market functioning and regulation;

77. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to elaborate the mechanism or mechanisms referred to in paragraph 76 above, with a view to recommending a draft decision or decisions to the Conference of the Parties for consideration at its seventeenth session;

78. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 21 February 2011, their views on matters referred to in paragraph 77 above;

79. *Undertakes*, in developing and implementing the mechanism or mechanisms referred to in paragraph 76 above, to maintain and build upon existing mechanisms, including those established under the Kyoto Protocol;

80. *Decides* to consider the establishment, at its seventeenth session, of one or more non-market-based mechanisms to enhance the cost-effectiveness of, and to promote, mitigation actions;

81. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to elaborate the mechanism or mechanisms referred to in paragraph 80 above, with a view to recommending a draft decision or decisions to the Conference of the Parties for consideration at its seventeenth session;

82. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 21 February 2011, their views on matters referred to in paragraph 81 above;

83. *Invites* Parties and accredited observer organizations to submit to the secretariat, by 21 February 2011, information on the evaluation of various approaches in enhancing the cost-effectiveness of, and promoting, mitigation actions, including activities implemented jointly under Article 4, paragraph 2(a), of the Convention and any other relevant activities, for synthesis by the secretariat;

F. Economic and social consequences of response measures

Reaffirming the importance of the objective of the Convention, and the relevant principles and provisions of the Convention related to economic and social consequences of response measures, in particular its Articles 2, 3 and 4,

Recognizing that the implementation of response measures to mitigate climate change taken by a Party may result in negative economic and social consequences for other Parties, and the need to take into consideration in the implementation of the commitments of the Convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse impact of the implementation of measures to respond to climate change, referred to in Article 4, paragraphs 8, 9 and 10 of the Convention,

Affirming that responses to climate change should be coordinated with social and economic development in an integrated manner, with a view to avoiding adverse impacts

on the latter, taking fully into account the legitimate priority needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty, and the consequences for vulnerable groups, in particular women and children,

Recognizing the importance of avoiding or minimizing negative impacts of response measures on social and economic sectors, promoting a just transition of the workforce, the creation of decent work and quality jobs in accordance with nationally defined development priorities and strategies and contributing to building new capacity for both production and service-related jobs in all sectors, promoting economic growth and sustainable development,

84. *Urges* Parties, in the implementation of measures to mitigate climate change, to take into consideration the economic and social impacts of response measures, and to support the efforts of Parties, in particular developing country Parties, to build the resilience of societies and economies negatively affected by the impact of the implementation of response measures, consistent with relevant provisions of the Convention;

85. *Decides* that the Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade;

86. *Agrees* that information relating to response measures should be considered in a structured manner in order to enhance the implementation of Article 4, paragraph 1(g) and (h), of the Convention, recognizing the needs of developing country Parties identified in Article 4, paragraphs 8, 9 and 10;

87. *Decides* that Parties should cooperate fully to enhance understanding of economic and social consequences of response measures, taking into account the need for information from those affected, and evidence of actual impacts, and of both positive and negative effects; and further decides to consider how existing channels, such as national communications, including the possible submission of supplementary information, as considered by the Subsidiary Body for Implementation, could be improved and be built upon;

88. *Decides* to provide a forum on the impact of the implementation of response measures, and to that end requests the Chairs of the SBSTA and the SBI to convene such a forum at the thirty-fourth and thirty-fifth sessions of these bodies, with the objective of developing a work programme under the subsidiary bodies to address these impacts, with a view to adopting, at the seventeenth session of the Conference of the Parties, modalities for the operationalization of the work programme, and any further arrangements, including a possible forum on response measures.

IV. Finance, technology and capacity-building

A. Finance

Fast-start finance

89.

Option 1:

Takes note of the collective commitment by developed countries to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012, with a balanced allocation between adaptation and mitigation; funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa;

Option 2:

Takes note of the collective commitment by developed countries to provide new and additional resources approaching USD 30 billion for the period 2010–2012, with a balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized in accordance with paragraph 1 (c) (i) of the Bali Action Plan (decision 1/CP.13);

90. *Invites developed country Parties to provide to the secretariat on an annual basis, in order to enhance transparency, information on the resources disbursed to fulfill this commitment in accordance with existing UNFCCC guidelines for national communications from Parties included in Annex I to the Convention on support provided⁷;*

Long-term finance

91. *Decides that scaled-up, new and additional, predictable and adequate funding shall be provided to developing country Parties;*

92.

Option 1:

Recognizes that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries;

Option 2:

93. *Decides that developed country Parties and other Parties included in Annex II to the Convention shall provide 1.5 per cent of their gross domestic product per year by 2020 to address the needs of developing countries;*

94. *Decides that the [main][major] source of funding shall be [assessed][indicative] contributions by developed country Parties and other Parties included in Annex II to the Convention;*

⁷ Chapter VIII of the Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications (document FCCC/CP/1999/7).

95. *Decides* that a [substantial][significant] share of the contributions made by developed country Parties and other Parties included in Annex II to the Convention shall flow through the [Global Climate Fund][new fund];

96. *Agrees* that, in accordance with paragraph 1 (e) of the Bali Action Plan, funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including [alternative][innovative] sources of finance;

97. *Decides* that the [Standing Committee established in paragraph 106 below][Ad-hoc working group on long-term cooperative action] shall review the needs of developing country Parties for financial resources to address climate change and identify options for the mobilization of those resources for the period 2013-2020 [based on information from a series of workshops and other activities during 2011];

98. *Takes* note of the report of the High-level Advisory Group on Climate Change Financing established by the UN Secretary-General and of other relevant reports on the financial needs of developing countries to address climate change and on options for the mobilization of those resources;

[Global Climate Fund][New Fund]

99.

Option 1:

Decides to establish the [Global Climate Fund][new fund] under the Convention

Option 2:

Decides that a [Global Climate Fund][new fund] will be established

to support projects, programmes, policies and other activities in developing country Parties using thematic funding windows;

100.

Option 1:

Decides that the Board of the [Global Climate Fund][new fund] shall be the operating entity of the fund;

Option 2:

Decides that the [Global Climate Fund][new fund] shall be an operating entity of the financial mechanism of the Convention and shall operate under the guidance of and be accountable to the Conference of the Parties;

101. *Decides* that the [Global Climate Fund][new fund] shall be governed by a board of [24][XX] members,

Option 1:

comprising an equal number of members from developing and developed country Parties;

Option 2:

with an equitable and balanced representation of all Parties within a transparent system of governance;

102.

Option 1:

Invites the World Bank to serve as the interim trustee of the [Global Climate Fund][new fund], subject to a review [one][XX] year after operationalization of the fund;

Option 2:

Decides that the trustee of the [Global Climate Fund][new fund] shall be selected through a process of open and competitive bidding based on terms of reference developed through the design process specified in paragraph 104 below;

103. *Decides* that the operation of the fund shall be supported by an [independent][contracted] secretariat;

104. *Decides* that the [Global Climate Fund][new fund] shall be designed

Option 1:

by a Transitional Committee of [40][XX] members with the necessary experience and skills, and with a balanced and equitable representation, nominated by the Conference of the Parties and [10][XX] observers;

Option 2:

through a series of meetings convened by Party X [and Party Y] open to all Parties, led by finance ministries and including others with relevant expertise;

in accordance with the terms of reference contained in annex IV;

105. *Invites* the XX to be the interim secretariat for the design phase of the [Global Climate Fund][new fund] and further invites all relevant United Nations agencies and multilateral development banks to second expert staff to the interim secretariat of the Transitional Committee;

Standing Committee

106.

Option 1:

Decides to establish a Standing Committee under the Conference of the Parties to assist it in exercising its functions with respect to the financial mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism, mobilization of financial resources and measurement, reporting and verification of support provided to developing country Parties. Parties agree to further define the roles and functions of this Standing Committee;

Option 2:

Decides that the existing institutions and bodies of the Convention shall be strengthened to in order to improve the oversight of the operating entities of the financial mechanism, overview of climate finance and coordination in the delivery of climate change financing;

B. Technology development and transfer

Confirming the importance of promoting and enhancing national and international cooperative action on the development and transfer of environmentally sound technologies to developing country Parties to support action on mitigation and adaptation now, up to and beyond 2012, in order to achieve the ultimate objective of the Convention,

Recognizing that an early and rapid reduction in emissions and the urgent need to adapt to the adverse impacts of climate change require large-scale diffusion and transfer of, or access to, environmentally sound technologies,

Stressing the need for effective mechanisms, enhanced means, appropriate enabling environments and the removal of obstacles to the scaling up of the development and transfer of technologies to developing country Parties,

107. *Decides* that the objective of enhanced action on technology development and transfer is to support action on mitigation and adaptation in order to achieve the full implementation of the Convention;

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

109. *Decides* to accelerate action consistent with international obligations, at different stages of the technology cycle, including research and development, demonstration, deployment, diffusion and transfer of technology (hereinafter referred to in this decision as technology development and transfer) in support of action on mitigation and adaptation;

110. *Decides* to establish a Technology Mechanism to catalyse actions for achieving the objective referred to in paragraphs 107–109 above, under the guidance of, and accountable to, the Conference of the Parties, which will consist of the following components:

(a) A Technology Executive Committee to undertake the functions contained in paragraph 114 below;

(b) A Climate Technology Centre and Network to undertake the functions contained in paragraph 116 below;

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

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

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

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

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

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

(c) Recommend to the Conference of the Parties guidance on policies, programme priorities and eligibility criteria related to technology development and transfer, including activities and/or outcomes of activities eligible for technological, financial and capacity-building support referred to in annex V, with special consideration given to the least developed country Parties;

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

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

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

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

(h) Catalyse the development and use of technology road maps or action plans at international, regional and national levels through cooperation between relevant stakeholders, particularly governments and relevant organizations or bodies, including the development of best practice and guidelines, as facilitative tools for action on mitigation and adaptation;

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

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

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

(a) At the request of a developing country Party:

(i) Provide advice and support related to the identification of technology needs and the implementation of environmentally sound technologies, practices and processes;

(ii) Provide information, training and support for workforce development programmes to build or strengthen developing country capacity to identify technology options, make technology choices and operate, maintain and adapt technologies;

(iii) Facilitate prompt action on the deployment of existing technologies in developing country Parties based on identified needs;

(b) Stimulate and encourage, through collaboration with the private sector, public institutions, academia and research institutions, the development and transfer of existing and emerging environmentally sound technologies, as well as opportunities for North–South, South–South and triangular technology cooperation;

(c) Develop and customize analytical tools, policies and best practices for country-driven planning to support the dissemination of environmentally sound technologies;

(d) Facilitate a Network of national, regional, sectoral and international technology centres, networks, organization and initiatives with a view to:

(i) Enhancing cooperation with national, regional and international technology centres and relevant national institutions;

(ii) Facilitating international partnerships among public and private stakeholders to accelerate the innovation and diffusion of environmentally sound technologies to developing country Parties;

(iii) Providing, on request by a developing country Party, in-country technical assistance and training to support identified technology actions in developing country Parties;

(iv) Stimulating the establishment of twinning centre arrangements to promote North–South, South–South and triangular partnerships with a view to encouraging cooperative research and development;

(e) Performing other such activities as may be necessary to carry out its functions;

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

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

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

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

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

122. *Decides* that in 2011 the Ad Hoc Working Group on Long-term Cooperative Action under the Convention will elaborate the terms of reference for the Climate Technology Centre and Network, drawing upon the advice of the Technology Executive Committee and the results of the workshop referred to in paragraph 121 above, for consideration by the Conference of the Parties at its seventeenth session, with a view to making the Climate Technology Centre and Network operational in 2012;

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

124. *Encourages* Parties, in the context of Article 4, paragraphs 1(c) and 5, of the Convention and consistent with their respective capabilities and national circumstances and priorities, to undertake domestic actions identified through country-driven approaches, engage in bilateral and multilateral cooperative activities on technology development and transfer and increase private and public research, development and demonstration of technologies for mitigation in relation to current levels, working towards at least a doubling of resources for global research, development and demonstration by 2015 and increasing it to four times its current level thereafter, with a significant shift in emphasis towards safe and sustainable low greenhouse gas emitting technologies;

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

C. Capacity-building

Reaffirming that capacity-building is essential to enable developing country Parties to participate fully in addressing the climate change challenges, and to implement effectively their commitments under the Convention,

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

Taking into account that the scope of capacity-building and related needs as contained in the annex to decision 2/CP.7 and the key factors identified in decision 2/CP.10 remain valid,

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

Also acknowledging that, in addition, there may be specific capacity-building activities that require support to enable developing countries to undertake the enhanced implementation of the Convention,

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

126. *Decides* that capacity-building support to developing country Parties should be enhanced with a view to strengthening endogenous capacities at the subnational, national or regional levels, as appropriate, taking into account gender aspects, to contribute to the achievement of the full, effective and sustained implementation of the Convention, through, inter alia:

(a) Strengthening relevant institutions at various levels, including focal points and national coordinating bodies and organizations;

(b) Strengthening networks for the generation, sharing and management of information and knowledge, including through North–South, South–South and triangular cooperation;

(c) Strengthening climate change communication, education, training and public awareness at all levels;

(d) Strengthening integrated approaches and the participation of various stakeholders in relevant social, economic and environmental policies and actions;

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

127. *Decides* that financial resources for enhanced action on capacity-building in developing country Parties should be provided by Parties included in Annex II to the Convention and other Parties in a position to do so through the current and any future operating entities of the financial mechanism, as well as through various bilateral, regional and other multilateral channels, as appropriate;

128. *Encourages* developed country Parties to continue to report through their national communications, in accordance with the guidelines for the preparation of national communications by Parties included in Annex I to the Convention, on the support they have provided for capacity-building in developing country Parties;

129. *Invites* developed country Parties in a position to do so to provide information, through annual submissions to the secretariat and other appropriate channels, on the support they have provided for capacity-building in developing country Parties;

130. *Encourages* developing country Parties to continue to report through their national communications, in accordance with the guidelines for the preparation of national communications from Parties not included in Annex I to the Convention, on progress made in enhancing capacity to address climate change, including on the use of the support received;

131. *Invites* developing country Parties in a position to do so to provide information, through annual submissions to the secretariat and other appropriate channels, on progress made in enhancing capacity to address climate change including on the use of the support received;

132. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to consider ways to further enhance the monitoring and review of the effectiveness of capacity-building, for consideration by the Conference of the Parties at its seventeenth session;

133. *Also requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to further elaborate the modalities regarding institutional arrangements for capacity-building, for consideration by the Conference of the Parties at its seventeenth session.

V. Review

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

135. *Further decides* that:

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

- The best available scientific knowledge, including the assessment reports of the Intergovernmental Panel on Climate Change;
- Observed impacts of climate change;

- An assessment of the overall aggregated effect of the steps taken by Parties in order to achieve the ultimate objective of the Convention;
 - Consideration of strengthening the long-term global goal, referencing various matters presented by the science, including in relation to temperature rises of 1.5 degrees Celsius;
- (b) The first review should start in 2013 and should be concluded by 2015;
- (c) The Conference of the Parties shall take appropriate action based on the review;

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

VI. Other matters

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

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

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

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

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

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

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

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

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

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

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

Taking note of the submission by Turkey contained in document FCCC/AWGLCA/2010/MISC.8,

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

VII. Extension of the Ad Hoc Working Group on Long-term Cooperative Action

139. *Decides* to extend the Ad Hoc Working Group on Long-term Cooperative Action for one year, to continue its work with a view to carry out the undertakings contained in this Decision and present the results to the Conference of the Parties for consideration at its seventeenth session;

140. *Requests* the Ad Hoc Working Group on Long-Term Cooperative Action to continue its work drawing on the document under its consideration;

141. [*Indication of meetings in 2011 according to Bureau consultations.*] *Requests* the secretariat to make the necessary arrangements.

142. *Mandates* the host country of the next session of the Conference of the Parties to undertake inclusive and transparent consultations in order to facilitate the work towards the success of that session.

Annexes

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

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

Annex II: Guidance, including safeguards, for policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

1. Activities referred to in paragraph 67 of this decision should:
 - (a) Contribute to the achievement of the objective set out in Article 2 of the Convention;
 - (b) Contribute to the fulfilment of the commitments set out in Article 4, paragraph 3, of the Convention;
 - (c) Be country-driven and be considered options available to Parties;
 - (d) Be consistent with an objective of environmental integrity and take into account the multiple functions of forests and other ecosystems;
 - (e) Be undertaken in accordance with national development priorities, objectives and circumstances and capabilities and should respect sovereignty;
 - (f) Be consistent with Parties' national sustainable development needs and goals;
 - (g) Ensure that implementation is in the context of sustainable development and reducing poverty, while responding to climate change;
 - (h) Promote broad country participation;
 - (i) Be consistent with the adaptation needs of the country;
 - (j)

[*Option 1:* Be subject to financing and technology including support for capacity building by developed countries]

[*Option 2:* Be supported by adequate, predictable and sustainable financing and technology support, including support for capacity-building];

- (k) Be results-based;
 - (l) Promote sustainable management of forests;
2. When undertaking activities referred to in paragraph 67 of this decision, the following safeguards should be promoted and supported:
 - (a) Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
 - (b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
 - (c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
 - (d) The full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities, in actions referred to in paragraphs 67 and 69 of this decision;

(e) Actions are consistent with the conservation of natural forests and biological diversity, ensuring that actions referred to in paragraph 67 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;⁸

(f) Actions to address the risks of anthropogenic reversals;

(g) Actions to reduce displacement of emissions.

⁸ Taking into account the need for sustainable livelihoods of indigenous peoples and local communities and their interdependence on forests in most countries, reflected in the United Nations Declaration on the Rights of Indigenous Peoples, as well as the International Mother Earth Day.

**Annex III: Subsidiary Body for Scientific and Technological Advice
work programme on policy approaches and positive incentives on
issues relating to reducing emissions from deforestation and forest
degradation in developing countries; and the role of conservation,
sustainable management of forests and enhancement of forest carbon
stocks in developing countries**

In the development of its work programme, the SBSTA is requested to:

(a) Identify land use, land-use change and forestry activities in developing countries, in particular those that are linked to the drivers of deforestation and forest degradation, to identify the associated methodological issues to estimate emissions and removals resulting from these activities, and to assess their potential contribution to the mitigation of climate change, and report on the findings to the Conference of the Parties at its xx session;

(b) Develop, by its [X] session, modalities relating to paragraphs 68 (b) and (c) of this decision, for adoption by the Conference of the Parties at its [X] session.

(c) Develop, by its [X] session, as necessary, modalities for measuring, reporting and verifying anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, forest carbon stock and forest area changes resulting from the implementation of activities referred to in paragraph 67 of this decision, consistent with any guidance for measuring, reporting and verification of nationally appropriate mitigation actions by developing country Parties agreed by the Conference of the Parties, taking into account methodological guidance in accordance with decision 4/CP.15, for adoption by the Conference of the Parties at its [X] session;

Annex IV: Terms of reference for the design of the [Global Climate Fund][new fund]

1. The [Transitional Committee shall recommend to the Conference of the Parties for its approval][meetings convened by Party X [and Party Y] shall develop operational documents that address], inter alia (if not already decided):

(a) The legal arrangements for the establishment and operationalization of the [Global Climate Fund][new fund];

(b) The composition of the Board of the [Global Climate Fund][new fund] taking into account gender considerations, the qualifications required of Board members and the procedure for electing Board members;

(c) The rules of procedure of the Board;

(d) The strategic priorities of the fund, the funding windows and the procedure for determining the allocation of funds among funding windows;

(e) The policies and guidelines for the disbursement of funds;

(f) The financial instruments that the fund can use to achieve its priorities;

(g) Methods to ensure that the fund's activities complement those of other bilateral and multilateral funding mechanisms and institutions;

(h) Simplified procedures for accessing funds, including direct access by developing country entities;

(i) The role of the trustee and the procedure for selecting the trustee;

(j) The role of the secretariat and the procedure for selecting and/or establishing the secretariat;

(k) A mechanism to ensure periodic independent evaluation of the fund's performance;

(l) mechanisms to ensure financial accountability and to evaluate the performance of activities supported by the fund.

2. In the conduct of its work, the [Transitional Committee][meetings convened by Party X[and Party Y]] shall:

(a) Organize the meetings open to all Parties so that all Parties will be able to attend;

(b) Encourage input from all Parties and from relevant international organizations and observers;

(c) Take into account the findings of relevant reports;

(d) Report to Ad-hoc working group on long-term cooperative action (AWG-LCA) 14 and subsequent sessions of AWG-LCA during 2011 and present assessed options for all relevant areas for consideration and finalisation at the seventeenth session of the Conference of the Parties 17.

Annex V: Eligible technology development and transfer activities and/or outcomes of activities

Pursuant to paragraph 114 (c) to this decision, activities and/or outcomes of activities eligible for technological, financial and capacity-building support shall be determined by country-driven processes based on national circumstances and priorities, with a view to ensuring overall efficiency and effectiveness in meeting such outcomes, and may include, but not be limited to, those that achieve:

- (a) Development and enhancement of endogenous capacities and technologies of developing country Parties, including cooperative research, development and demonstration programmes;
- (b) Deployment and diffusion of environmentally sound technologies and know-how in developing country Parties;
- (c) Increased public and private investment in technology development, deployment, diffusion and transfer;
- (d) Deployment of soft and hard technologies for the implementation of adaptation and mitigation actions;
- (e) Improved climate change observation systems and related information management;
- (f) Strengthening of national systems of innovation and technology innovation centres;
- (g) Development and implementation of national technology plans for mitigation and adaptation.

Annex VI: Composition and mandate of the Technology Executive Committee

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

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

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

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