

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

Fourteenth session, part four

Durban, 29 November 2011 – *

Agenda item 3

Preparation of a comprehensive and balanced outcome to be presented to the Conference of the Parties for adoption at its seventeenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, pursuant to the results of the thirteenth and sixteenth sessions of the Conference of the Parties and recognizing that the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention includes both implementation tasks and issues that are still to be concluded

Agenda item 4

Review: further definition of its scope and development of its modalities

Agenda item 5

Continued discussion of legal options with the aim of completing an agreed outcome based on decision 1/CP.13, the work done at the sixteenth session of the Conference of the Parties and proposals made by Parties under Article 17 of the Convention

Agenda item 6

Other matters

Work undertaken in the informal groups in the preparation of a comprehensive and balanced outcome to be presented to the Conference of the Parties for adoption at its seventeenth session

Note by the Chair

* The fourth part of the session will be held in conjunction with the seventeenth session of the Conference of the Parties (COP). The Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) will present the results of its work to the COP for consideration as per decision 1/CP.16, paragraph 143. The closing date of the session of the AWG-LCA will be determined in Durban.

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Introduction

1. The Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), throughout its fourteenth session, has been working on the preparation of a balanced and comprehensive outcome to be presented to the Conference of the Parties (COP) for adoption at its seventeenth session.
2. The Chair has presented draft conclusions on the outcome of the work of the AWG-LCA to be presented to the COP for adoption at its seventeenth session.¹
3. This document contains texts reflecting work undertaken at the fourth part of the fourteenth session of the AWG-LCA, in order to carry forward ideas and proposals in areas in which continued discussions are envisaged next year.

¹ FCCC/AWGLCA/2011/L.4.

I. A shared vision for long-term cooperative action

[Category 1]

1. *Recalling* its decision 1/CP.16 elaborating on a shared vision for long-term cooperative action, in particular the mandate contained in paragraph 5 and paragraph 6 with regard to the consideration of a global goal for substantially reducing global emissions by 2050 and a timeframe for a global peaking of greenhouse gas emissions,

[Category 2]

2. *Recalling* its decision 1/CP.13 (the Bali Action Plan),

3. *Affirms* that all Parties shall enhance their contribution to long-term cooperative action to combat climate change guided by a shared vision which is based on and is in fulfilment of the objectives, principles and provisions of the Convention and its Kyoto Protocol, in particular the common but differentiated responsibilities and respective capabilities, equity and historical responsibility,

4. *Acknowledging* that immediate action should be taken by all Parties and in particular by Parties included in Annex I to the Convention (Annex I Parties) to reduce their emissions in a way that will avoid further loss and damage from the adverse effects of climate change and limit the global average temperature increase to well below 1.5 °C above pre-industrial levels in a time frame that protects ecosystems, food production and sustainable development,

5. *Reaffirms* that Annex I Parties should take the lead in dealing with climate change, that scaled up overall mitigation efforts that allow for the achievement of desired stabilization levels are necessary, with Annex I Parties showing leadership by undertaking ambitious emission reductions in line with the latest scientific information and especially those of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and more recent studies, and providing adequate technology, capacity-building and financial resources to Parties not included in Annex I to the Convention (non-Annex I Parties), in accordance with the relevant provisions of the Convention, in particular its Article 4, paragraph 7,

6. *Recalling* Article 4, paragraph 10, of the Convention that recognizes the serious difficulties faced by some Parties in switching to alternatives to the use of fossil fuels,

7. *Recognizing* that Parties that are alternative energy disadvantaged, as a result of a lack of access to renewable sources of energy, face significant constraints in undertaking mitigation actions,

[move paragraphs 34- 38, after the preambular paragraphs]

[Add a heading on global goals and move under this heading, after paragraph 33, paragraphs 39-51]

Global goal for substantially reducing global greenhouse gas emissions by 2050

8. *[The text could be structured in three groups: elements relevant for the global goal, 2°C and the numbers; the goal for developed countries and contribution by developing countries; and context elements]*

[Group 1: global goal]

9. In the context of the ultimate objective of the Convention under its Article 2 and of the Bali Action Plan (decision 1/CP.13), Parties share the vision for the achievement of a global goal to reduce global anthropogenic emissions of greenhouse gases based on equity, common but differentiated responsibilities and respective capabilities and historical responsibility preceded by a paradigm on equitable access to sustainable development which will ensure adequate time for social and economic development for all developing countries;

10. *Affirms* that the long-term global goal for emission reductions shall be consistent with science, in particular those of the IPCC Fourth Assessment Report and more recent scientific information, and agreed on the basis of the principles of the Convention, in particular the principles of equity and common but differentiated responsibility and respective capabilities and fully take into account the historical responsibility of Annex I Parties;

11. *Reaffirms* that Parties should take urgent action with a view to reducing global emissions so as to hold the increase in global average temperature below 2 degrees Celsius above pre-industrial levels, consistent with science and on the basis of equity;

12. Parties [should collectively reduce][share the goal of achieving a reduction of] global greenhouse gas emissions by [at least][50][85] per cent [from 1990 levels] by 2050 (to be updated based on the 2013–2015 review of the global goal);

13. Global greenhouse gas emissions should continue to decline thereafter;

14. *Affirms* that Parties shall plan their future emission reductions in accordance with the global greenhouse gas concentration goal and the global temperature goal. Coherence between long term and mid term commitments shall be assured;

[Group 2: the goal for developed countries and contribution by developing countries]

15. Developed countries as a group should reduce their greenhouse gas emissions [in the order of 30][by][at least][40][45][50] per cent from 1990 levels by 2020[. In accordance with the findings of the IPCC AR4, developed countries as a group should reduce their GHG emissions by 25–40 per cent below 1990 levels by 2020. They should reduce their aggregated emission by][and by][at least][80-][more than][95] per cent from 1990 levels by 2050 [as part of a global emissions reduction of at least 50 per cent by 2050 compared to 1990 levels], [to be updated based on the 2013–2015 review of the global goal];

16. Adoption at the Conference of the Parties at its seventeenth session and rapid and time-bound implementation thereafter of ambitious, robust, comparable short, mid- and long-term Annex I Parties quantified emission limitation and reduction objectives, including at least 40–50 per cent below 1990 levels by 2020 under the Kyoto Protocol and commitments by Parties which are not Parties to the Kyoto Protocol;

17. Reduce global greenhouse gas emissions more than 100 per cent by 2040 by Annex I Parties; sustained by short-term mitigation by Annex I Parties of more than 50 per cent by 2017; ensuring stabilization of the global temperature at a maximum of a 1 degree Celsius increase;

18. *Decides* that Annex I Parties, in accordance with their commitments to Article 4, paragraph 2, of the Convention, undertake ambitious national economy-wide binding targets for quantified emission reduction commitments of at least 50 per cent of their domestic greenhouse gas emissions during the period 2013 to 2017 and by more than 100 per cent before 2040, compared with their 1990 levels;

19. The ambitious quantified emission reductions commitments of Annex I Parties and a clear road map for their emission reductions, reducing by at least 40 per cent below 1990

levels by 2017, at least 45 per cent below 1990 levels by 2020 and at least 95 per cent below 1990 levels by 2050;

20. Annex I Parties should take the lead, taking into account their historical responsibilities pursuant to such a paradigm on equitable access to sustainable development, including through adoption at the seventeenth session of the Conference of the Parties and rapid and time-bound implementation thereafter of ambitious, robust and comparable short-, mid- and long-term Annex-I quantified emission limitation and reduction objectives;

21. *Requests* Annex I Parties to increase the ambition of their economy-wide emission reduction targets, with a view to fulfilling equitable and adequate commitments in relation to reducing their aggregate anthropogenic emissions of carbon dioxide and other greenhouse gases not controlled by the Montreal Protocol;

22. *Requests* the Subsidiary Body for Implementation and Subsidiary Body for Scientific and Technological Advice to jointly undertake a process to examine the means of further increasing the level of ambition for Annex I Parties to ensure an equitable and adequate contribution by each of these Parties to the objective of the Convention, for consideration by Parties at the thirty-sixth session of the subsidiary bodies;

23. As a group, developing countries should achieve a substantial deviation below the currently predicted emissions growth rate in the order of 15 to 30 per cent by 2020 respecting the principle of common but differentiated responsibilities and respective capabilities, while acknowledging that such deviation is directly related to the level of support provided by developed countries;

[Group 3: context elements]

24. Aspects that may be considered in this context include:

- (a) Best available scientific knowledge;
- (b) The objective, principles and provisions of the Convention, and the Bali Action Plan;
- (c) Equity, common but differentiated responsibilities and respective capabilities, and sustainable development (equitable access to sustainable development which will ensure adequate time for social and economic development for all developing countries; low-carbon development strategy is indispensable to sustainable development);
- (d) Socio-economic conditions and adequate time for economic development for all developing countries;
- (e) The fact that all countries, especially developing countries, need access to the resources required to achieve sustainable social and economic development;
- (f) The carbon budget, in the context of equitable access to global atmospheric space;
- (g) The mitigation potential of “alternative energy disadvantaged” Parties which have serious difficulties in switching to alternatives to the use of fossil fuels (Article 4, paragraph 10, of the Convention);

[Paragraph 24(h) could be moved to category 1: global goal]

(h) Greenhouse gas concentrations in the atmosphere should stabilize [well] below [300][350][450] ppm CO₂eq [and temperature increases limited to below 1.5 degrees Celsius above the pre-industrial level] (there is a scientific relationship among temperature, concentrations and emissions);

- (i) The relationship with the global goals for finance, technology, adaptation, capacity-building and forestry (building blocks of Bali Action Plan);
- (j) A long-term global goal for finance, consistent with Article 4, paragraph 7, of the Convention.
- (k) Low-carbon development strategies;
- (l) The historical climate debt;
- (m) Social and economic development and poverty eradication are the first and overriding priorities of developing country Parties, the extent of developing country Parties' contributions to global emissions reductions shall be consistent with the principles and provisions of the Convention, as appropriate to their specific needs and circumstances and dependent on the extent to which finance, technology and capacity-building support by developed country Parties. The extent of adaptation support to developing countries is contingent on developed country mitigation ambition and provision of support for mitigation in developing countries as required under the Convention and reaffirmed in the Bali Action Plan, to enable developing countries to achieve sustainable development;

Time frame for global peaking of greenhouse gas emissions

[Group 1: global peaking]

- 25. Parties should cooperate in achieving the peaking of global and national emissions and should engage stakeholders in this process;
- 26. As soon as possible but not later than 2020;
- 27. *Agrees* that all Parties should cooperate to reach the peak of global emissions as soon as possible, preferably by 2020, while recognizing that each Annex I Party should in accordance with their commitment under the Convention have already peaked, and that the timeframe for peaking will be longer for developing countries;
- 28. By [2013][2015][2017];
- 29. Greenhouse gas emissions should decline thereafter;

[Group 2: peaking by developed countries and contribution by developing countries]

- 30. Greenhouse gas emissions of developed countries as a group should peak by 2015;
- 31. Developed country Parties should peak without any delay [no later than 2012], recognizing that they should have peaked before 2000 according to the Convention;
- 32. Developed Country Parties must peak immediately, taking into account that they should have peaked in the decade of the 90s, in accordance with the provisions of Article 4, paragraph 2 of the Convention. Developing country Parties shall peak as soon as possible, while the peaking date shall be in function of national circumstances, taking into account the needs to eliminate poverty and the effective provision by Annex I Parties of finance, technology and capacity building;

[Group 3: context elements]

- 33. Aspects that [may][should] be considered in this context include:
 - (a) Best available scientific knowledge;
 - (b) Time frame for peaking will be much longer in developing countries;
 - (c) Implementation of commitments under Article 4 paragraph 1, 2, 3, 5 and 7 of the Convention;

(d) Non-Annex I peaking is dependant on the level of support provided by Annex I Parties;

(e) Ensure sufficient time for and equitable access to sustainable development, and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries;

(f) Common but differentiated responsibilities and respective capabilities;

(g) Fair and equitable allocation of the atmospheric space, taking into account the criteria of historical climate debt and population;

(h) Relevant provisions and principles of the Convention, including the mitigation potential of alternative energy disadvantaged Parties which have serious difficulties in switching to alternatives to the use of fossil fuels.

Equity

34. *Decides* that a global goal for substantially reducing global emissions by 2050, referred to in decision 1/CP.16, paragraph 5, shall be achieved by Parties on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly, equity shall be reflected by having a fair sharing and an equitable allocation framework wherein developed country Parties take the lead in undertaking deep binding emission reductions in the short-, mid- and long-terms that reflect their historical and current responsibility for global emissions and in providing finance, technology and capacity-building to developing countries, consistent with their commitments under the Convention. Developing country Parties' equitable contributions to the achievement of such a global goal shall take into account their specific needs and circumstances, ensure access to their sustainable development and improvements in living standards in the context of climate change, and be commensurate to the extent to which support for their mitigation and adaptation actions are provided by developed country Parties consistent with Article 4, paragraph 7, of the Convention.

Historical responsibility

35. *Acknowledging* that the largest share of the historical global emissions of greenhouse gases originated in Annex I Parties and that, owing to this historical responsibility in terms of their contribution to the average global temperature increase, Annex I Parties must take the lead in combating climate change and the adverse effects thereof;

36. *Also acknowledging* that, according to the preamble of the Convention, social and economic development and poverty eradication are the first and overriding priorities of developing countries;

37. The work towards identifying a global goal for substantially reducing global greenhouse gas emissions as well as a time frame for global peaking of emissions must be based on historical responsibility as referred to above, bearing in mind the context of enhancing and achieving the full, effective and sustained implementation of the Convention;

38. *Determines* that this global goal shall be achieved by Parties on the basis of equity, with developed countries taking the lead, and allocating the remaining carbon budget up until 2050 according to the criteria of (population) per capita accumulative historical emissions and the climate emissions debt of Annex I Parties, and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly, equity shall be assured by having a fair sharing and equitable allocation framework wherein developed country Parties commit to the retribution of their historical climate debt, by

returning over-consumed atmospheric space to developing countries, and by providing finance, technology and capacity building to developing countries in order to assist them in undertaking relevant actions to adapt to and mitigate climate change, while assuring developing countries the right to sustainable development and elimination of poverty.

Establishment of global goals for finance

39. Developed country Parties shall provide developing country Parties with new and additional finance, inter alia through a percentage of the gross domestic product of developed country Parties, for technology, insurance and capacity-building in order to enable and implement adaptation actions, plans, programmes and projects at all levels, in and across different economic and social sectors and ecosystems;

40. *Affirms* that the long-term global goal for emission reductions is directly dependent on fulfilment by developed country Parties of their commitments to provide adequate and quantified support in relation to finance, technology and capacity-building;

41. *Reaffirms* that the extent of participation by non-Annex I Parties in the global effort to deal with climate change is directly dependant on the level of support provided by developed country Parties, and that these elements together ensure the possibility of reaching at global emissions to peak and decline, in order to achieve the ultimate objective of the Convention;

42. *Agrees* that predictable and sustained, adequate, new and additional public financing from Parties included in Annex II to the Convention (Annex II Parties) shall be provided to non-Annex I Parties;

43. *Acknowledges* that the scale of financial flows to non-Annex I Parties shall be based on the assessments of the their needs to deal with climate change;

44. *Agrees* that the adequate and predictable scale of financial commitments by Annex II Parties for long-term finance to be provided to non-Annex I Parties, will be based and periodically reviewed according to the needs of non-Annex I Parties, including the review to be conducted from 2013 to 2015;

45. *Requests* the Subsidiary Body for Implementation and Standing Committee to expand and annually update the information on investment and financial flows contained in secretariat paper;

46. *Invites* developed country Parties to submit information on plans to increase their financial contributions, as fulfilment of their commitments under the Convention, and *further invites* developing country Parties to submit information on the costs of adaptation and mitigation actions in their countries;

47. The provision of the amount of funds to be made available annually to developing country Parties, which shall be equivalent to the budget that developed countries spend on defence, security, and warfare. Fifty per cent of that amount shall be for adaptation, 20 per cent for mitigation, 15 per cent for technology development and transfer and 15 per cent for forest-related actions in developing country Parties;

Establishment of global goals for technology

48. Action shall be accelerated, consistent with the principles of the Convention, at different stages of the technology cycle, including research and development, demonstration, deployment, diffusion and transfer of technology in support of action on mitigation and adaptation.

49. In order to achieve the ultimate objective of the Convention, all Parties should cooperate, consistent with the principles of the Convention, through effective mechanisms,

enhanced means, and appropriate enabling environments, and ensure the provision of technological support to developing country Parties to enable action on mitigation and adaptation, including identification and removal of all barriers that prevent effective technology development and transfer to developing country Parties.

Establishment of global goals for adaptation

50. Adaptation must be addressed with the same priority as mitigation, and requires the establishment of institutional arrangements to enhance adaptation action and address adaptation needs in developing countries, including an Adaptation Framework for Implementation, an Adaptation Committee and an International Mechanism to Address Loss and Damage.

Establishment of global goals for capacity-building

51. Capacity-building is a prerequisite for, and essential in, enabling 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 countries in all areas. A body accountable to the Conference of the Parties should be established to oversee, monitor and ensure overall implementation of capacity-building activities consistent with the provisions of the Convention.

[delete paragraphs 52-81]

Trade

52. *Recalling* the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 2, 4 and 5, and Article 4, paragraphs 3, 5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and the obligations of developed country Parties to provide financial resources, transfer technology and capacity-building support to developing country Parties;

53. Developed country Parties shall not resort to any form of unilateral measures, including tariff, non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of the climate, emissions leakage and/or the cost of environment compliance;

54. *Acknowledging* that an open barrier-free rules-based trading system is a crucial component of the supportive and open international economic system;

55. *Further acknowledging* that the liberalization of trade in goods and services necessary for climate change mitigation and adaptation is essential to address climate change;

56. *Recognizing* that the World Trade Organization is the competent body for multilateral trade rule-making, and that Parties, which are members of the World Trade Organization, have the responsibility to respect their World Trade Organization obligations when they adopt measures to address climate change;

57. *Decides* that 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 to better 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;

58. *Reaffirming* paragraph 90 of decision 1.CP/16, paragraph 90.

Response measures

59. *Affirming* 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;
60. *Reaffirming* the importance of the objective of the Convention, and the relevant principles and provisions of the Convention related to the economic and social consequences of response measures, in particular its Articles 2, 3 and 4;
61. *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;
62. *Reaffirming* 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;
63. *Recognizing* the importance of avoiding or minimizing the 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 nationality defined development priorities and strategies, contributing to building new capacity for both production and service-related jobs in all sectors, and promoting economic growth and sustainable development;
64. Developed country Parties shall implement their commitments in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention;
65. Parties should recognize that the specific needs and special circumstances of developing country Parties that would have to bear a disproportionate or abnormal burden under the Convention should be given full consideration;

Intellectual property issues in relation to technology

66. Consistent with the principles of the Convention and to enable meaningful mitigation and adaptation actions in developing countries, the flexibilities of the international regime of intellectual property as articulated by the Agreement on Trade-Related Aspects of Intellectual Property Rights may be used to the fullest extent by developing country Parties to address adaptation or mitigation of climate change, in order to enable them to create a sound and viable technological base; accordingly, consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights, each Party retains its right to grant compulsory licences and the freedom to determine the grounds upon which such licences are granted; specific and urgent measures shall be taken by developed country Parties to enhance the development and transfer of technologies at different stages of the technology cycle covered by intellectual property rights to developing country Parties;
67. The removal of all obstacles, including intellectual property rights and patents on climate-related technologies to ensure the transfer of technology to developing countries.

Low-carbon and climate-resilient society

68. Parties should consider defining a framework for achieving a paradigm shift towards building a low-carbon society, which ensures continued high growth and sustainable development. A wider vision of sustainable low-carbon and climate-resilient development for all countries, respecting the principle of common but differentiated responsibilities and respective capabilities is needed. In a manner that is non-intrusive, non-punitive and respectful of national sovereignty, Parties should establish adequate national institutional arrangements that would create a formal process to formulate a shift towards a low-carbon and climate-resilient development strategies.

Human rights

69. Climate change related actions should fully respect human rights;

70. The adverse effects of climate change have a range of direct and indirect implications for the effective enjoyment of human rights; climate change related actions can have implications on human rights and the effects of climate change will be felt most acutely by those segments of the population that are already vulnerable owing to geography, gender, age, indigenous or minority status, or disability;

71. Indigenous people – ensuring the full respect of human rights, including the inherent rights of indigenous people (A broad range of stakeholders – engagement, including of indigenous people, is necessary for effective action on all aspects of climate change;

72. Migrants – ensuring the full respect of human rights, including the inherent rights of migrants;

73. The full respect of human rights, including the inherent rights of women, children, migrants and indigenous peoples established in the United Nations Declaration on the Rights of Indigenous Peoples.

Rights of mother earth

74. Ensure respect for the intrinsic laws of nature;

75. The recognition and defence of the rights of Mother Earth to ensure harmony between humanity and nature, and that there will be no commodification of the functions of nature, therefore no carbon market will be developed with that purpose;

76. The assurance that in all actions related to forest land, the integrity and multifunctionality of the ecological systems shall be preserved and no offsetting or market mechanisms shall be applied or developed.

Right to survive

77. The rights of some Parties to survive are threatened by the adverse impacts of climate change, including sea level rise.

An international climate court of justice

78. Rules that draw on experience with existing relevant bodies should be agreed;

79. *Requests* the Conference of the Parties to develop, by its eighteenth session, an International Climate Court of Justice in order to guarantee the compliance of Annex I Parties with all the provisions of this decision, which are essential elements in the obtaining of the global goal.

Warfare

80. Stopping wars, defending lives and ceasing destructive activities will protect the climate system; conflict-related activities emit significant greenhouse gas emissions to the atmosphere;

81. *The guarantee* that all Parties shall cease destructive activities that contribute to climate change, in particular the activities of warfare, production of materials and services that support warfare, and to divert associated financial resources and investments into the shared global effort to combat a common enemy: climate change;

[As we do not have a common understanding on some elements of a shared vision, the outcome at this COP could be launching a process and requesting the subsidiary bodies to support us to develop the common understanding.]

II. Enhanced action on mitigation

A. 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 countries¹

[*Taking into account* the need to consider alternative non-market approaches and mechanisms in order to fully implement forest mitigation and adaptation actions, while recognizing and respecting the rights of indigenous peoples and the integral management of forests,]

Option 1

[3. *Agrees* that results-based finance provided to developing country Parties that is new, additional and predictable may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

3bis. *Considers* that, in the light of the experience gained from demonstration activities, appropriate market-based approaches could be developed[, including] by the Conference of the Parties[,] to support the results-based actions referred to in decision 1/CP.16, paragraph 73, ensuring environmental integrity, that the requirements for robust [national] measurement, reporting and verification are met, and that the provisions of appendix I to decision 1/CP.16 are fully respected;

3ter. *Notes* that non market based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in decision 1/CP.16, appendix I, paragraph 2(c–e), and the multiple functions of forests, could be developed;

3quater *Encourages* the operating entities of the financial mechanism of the Convention to provide results-based finance for the actions referred to in decision 1/CP.16, paragraph 73;]

Option 2

[3. *Agrees* that results-based finance provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;]

Option 3

[3. *Agrees* that results-based finance provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources, considering appropriate² market- and non market based approaches created under the Convention;

¹ Paragraph numbering as in document FCCC/AWGLCA/2011/CRP.38.

² Here “appropriate” means excluding offsetting mechanisms and/or carbon markets.

3bis. *Encourages* the operating entities of the financial mechanism of the Convention to provide results-based finance for the actions referred to in decision 1/CP.16, paragraph 73;

3ter. *Notes* that non market based approaches, such as joint mitigation and adaptation mechanisms for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in decision 1/CP.16, appendix I, paragraph 2(c–e), and the multiple functions of forests, could be developed;]

Option 4

[3. *Agrees* that results-based finance to be provided to developing country Parties should come from public, bilateral and multilateral sources, and be complemented by private sources as well as alternative sources, as appropriate, according to their national circumstances;]

Option 5

[3. *Agrees* that results-based finance provided to developing country Parties that is new, additional and predictable may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

3bis. *Considers* that, in the light of the experience gained from demonstration activities, appropriate market-based approaches could be developed by the Conference of the Parties to support the results-based actions referred to in decision 1/CP.16, paragraph 73, ensuring that environmental integrity is preserved, that requirements for robust national measurement, reporting and verification are met, and that the provisions of decision 1/CP.16, appendix I, are fully respected;

3ter. *Notes* that non market based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in paragraph 2(c–e) of appendix I to decision 1/CP.16, and the multiple functions of forests, could be developed;

3quater *Encourages* the operating entities of the financial mechanism of the Convention to provide results-based finance for the actions referred to in paragraph 73 of decision 1/CP.16;]

Option 6

[3. *Notes* that non market based approaches, such as a joint mitigation and adaptation mechanism for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in paragraph 2(c–e) of appendix I to decision 1/CP.16, and the multiple functions of forests, could be developed;]

Option 7

[3. *Agrees* that results-based finance provided to developing country Parties that is new, additional and predictable may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

3bis. *Considers* that, in the light of the experience gained from demonstration activities, appropriate market-based approaches could be developed[, including] by the Conference of the Parties[,] to support the results-based actions referred to in paragraph 73 of decision

1/CP.16, ensuring environmental integrity, that the requirements³ for robust measurement, reporting and verification are met, and that the provisions of appendix I to decision 1/CP.16 are fully respected;

3ter. *Notes* that non market based approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative that supports and strengthens governance, the application of safeguards as referred to in paragraph 2(c–e) of appendix I to decision 1/CP.16, and the multiple functions of forests, could be developed;

3quater *Encourages* the operating entities of the financial mechanism of the Convention to provide results-based finance for the actions referred to in paragraph 73 of decision 1/CP.16;]

B. Economic and social consequences of response measures

Option 1

Decides that the developed country Parties shall not resort to any form of unilateral measures, including tariff, non-tariff, and other fiscal and non-fiscal border trade measures, against goods and services from developing country Parties on any grounds related to climate change, including protection and stabilization of climate, emissions leakage and/or cost of environment compliance; recalling the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3,5 and 7, and taking into account the principles of equity, common but differentiated responsibilities and respective capabilities and the obligations of the developed country Parties to provide financial resource, transfer technology and provide capacity building support to the developing country Parties.

Option 2

Affirming 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,

Reaffirming Part III.E “Economic and Social Consequences of Response Measures” of decision 1/CP.16,

Acknowledging that an open barrier-free rules-based trading system is a crucial component of a supportive and open international economic system,

Recognising that the liberalisation of trade in goods and services necessary for climate change mitigation and adaptation is essential to address climate change,

Further recognising that the World Trade Organisation is the competent body for multilateral trade rule-making,

Emphasizing that Parties, which are Members of the World Trade Organisation, have the responsibility to respect their World Trade Organisation obligations when they adopt measures to address climate change,

³ Including the monitoring and reporting of emission displacement at the national level, if appropriate, and reporting on how the displacement of emissions is being addressed and on the means to integrate subnational monitoring systems into a national monitoring system, in accordance with decision 1/CP.16, appendix II, paragraph (c).

Decides that 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.

Option 3

No text on trade.

III. Technology development and transfer⁴

The Conference of the Parties

9bis. [Request the Technology Executive Committee to consider issues related to intellectual property rights [as they arise] related to the development and transfer of technologies;]

9ter. [Decides that the Climate Technology Centre shall have the additional following function in accordance with decision 1/CP.16, paragraphs 128(e) and 123(a)(i): provide advice and support, including capacity building, on the conduct of technology assessments of new and emerging technologies [subject to technology development and transfer under the Convention, on a needs basis];]

Terms of reference for the Climate Technology Centre and Network

11. The [board][advisory committee] of the Climate Technology Centre and Network shall, taking into account gender considerations, consist of:

Option 1:

- (a) The chair and vice-chair of the Technology Executive Committee in an ex officio manner;
- (b) Two more members of the Technology Executive Committee, one from Annex I Parties and one from non-Annex I Parties chosen by the Technology Executive Committee on a rotational basis, who shall serve for the period of two years;
- (c) A representative of the financial mechanism;
- (d) A representative of the management of the host organization in an ex officio manner;
- (e) A representative of the Adaptation Committee;
- (f) The director of the Climate Technology Centre in an ex officio manner;
- (g) Two members nominated by the host organisation, drawn from the financial, non governmental organization, academic, business community and/or technology experts.

Option 2:

- (a) Sixteen government representatives, comprising an equal number of representatives from developed and developing countries;
- (b) A representative of the management of the host organization in an ex officio manner;
- (c) The chair of the Technology Executive Committee in an ex officio manner;
- (d) One representative from industry, selected by the host organization;
- (e) One representative from either the non-governmental organization, academic or financing community, selected by the host organization.

⁴ Paragraph numbering as in document FCCC/AWGLCA/2011/CRP.38.

IV. Other matters

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

[*Recalling* the special national circumstances of Parties included in Annex I to the Convention (Annex I Parties) undergoing the process of transition to a market economy, as stated in Article 4, paragraph 6, of the Convention, as well as Article 4, paragraph 5, and relevant decisions by the Conference of the Parties, in particular decisions 1/CP.16, 3/CP.7, 3/CP.10, 3/CP.13 and 9/CP.9;]

1. [*Decides* that the Annex I Parties undergoing the process of transition to a market economy shall continue to be exempt from providing assistance to other Parties in contributing to the achievement of the objective of the Convention until 2020[, or until the date of entering into force of a new global, comprehensive and legally binding framework, whichever of the two occurs first,] although they may wish to consider to do so on a voluntary basis;]

2. [*Agrees* to continue the consideration of the provision of capacity-building, financial, technical and technology transfer assistance to Annex I Parties undergoing the process of transition to a market economy[, in the context of negotiations on a new global, comprehensive and legally binding framework pursuant to decision -/CP.17⁵ [Durban Roadmap] involving all Parties]. This should assist the Parties undergoing the process of transition to a market economy in their emission reduction targets, including inter alia through national strategies, action plans or other relevant instruments, consistent with their priorities.]

⁵ Draft decision proposed for adoption under agenda item 6(a) of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.