

## **DRAFT DECISION ON ESTABLISHMENT OF NON-MARKET MECHANISM**

### **SUBMISSION FROM**

Bolivia, China, Cuba, Dominica, Ecuador, Egypt, El Salvador, India, Iran, Iraq, Malaysia, Mali, Nicaragua, Philippines, Saudi Arabia, Sudan, and Venezuela

The Conference of the Parties,

*Affirming* the need to maintain consistency with the ultimate objective of the Convention, particularly to stabilize greenhouse gas concentrations in the atmosphere at a level that should be achieved within a time-frame sufficient to allow ecosystem to adapt naturally to climate change, and to respect the principles and commitments of the Convention, as stated in its Articles 2, 3 and 4.

*Recalling* paragraph 1(b)(v) of decision 1/CP.13,

*Recalling*, further, paragraphs 84 and 85 of decision 1/CP.16 on the establishment of one or more non-market-based mechanisms to promote mitigation actions, based on changes to unsustainable patterns of consumption and production through, *inter alia*, education and rational use of resources.

*Considering* that because of their historical responsibility and climate debt developed countries should take the lead in emission reductions and that the fact that developing countries have development imperatives, and their ability to undertake climate actions depend on the extent of support they receive from developed countries.

*Recognizing* the need to establish of a mechanism of compensatory payment of developed countries' climate debt to developing country Parties, which has to be repaid in terms of finance and technology transfers to developing countries, plus ensuring no new debt is being created from now onwards.

*Affirming* the need to maintain consistency with the principles and commitments of the Convention, particularly that Parties should protect the climate system in accordance with their common but differentiated responsibilities and respective capabilities,

*Recalling* paragraph 67 of decision 2/CP.17, that indicates that non-market-based approaches such as joint mitigation and adaptation for the integral and sustainable management of forests as a non-market alternative which supports and strengthens governance and the multiple functions of forests, could be developed;

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

*Recognizing* the importance of enhancing sustainable development and patterns of production and consumption,

1. *Decides* that non-market-based approaches are important to enhance, and promote mitigation actions to achieve sustainable development and change guiding social values as a whole;
2. *Decides* that Annex I Parties shall demonstrate that they are taking the lead under Article 4, paragraph 2(a) of the Convention, in modifying longer-term trends in anthropogenic emissions consistent with the objective of the Convention by taking corresponding measures to limit their anthropogenic emissions of greenhouse gases and protecting and enhancing their greenhouse gas sinks and reservoirs through national non-market-based approaches, including policies and regulatory measures in relation to, *inter alia*:
  - a) Environmental education relating to the sustainable use of resources;
  - b) Technology development, diffusion, capacity building, and transfer to developing countries;
  - c) Environment, energy, land, and other natural resource policy;
  - d) Direct compensation of net avoidance of emissions based on a programmatic and cross-sectoral approach;
  - e) Recognition and compensation arising from accrued climate debt to developing countries;
3. *Decides* that developed country Parties and other developed Parties included in Annex II, shall take all practicable steps to promote, facilitate and finance efforts by and in developing countries in the fields of education, training and public awareness, to enhance and to promote the rational consumption and use of natural resources, taking into account the full life-cycle of materials, so as to result in the reduction of emissions from developing countries;
4. *Decides* that developed country Parties and other developed Parties included in Annex II shall establish national action programmes to support the development and enhancement of endogenous capacities and technologies of developing country Parties in all relevant sectors, including energy, transport, industry, agriculture, forestry and waste management sectors, in order to transfer relevant scientific, technological, technical, socio-economic and other information, knowledge, know-how, practices, processes and technologies relevant to ultimately achieving the reduction of emissions from developing countries;
5. *Defines* a non-market-based mechanism, operating under the guidance and authority of the Conference of the Parties, oriented to operationalize the payment of climate debt, and to promote mitigation actions, through non-market-based approaches, including those referred to in paragraphs 2 to 4 above, bearing in mind different circumstances of developed and developing countries, and ensuring that such approaches, or measures taken under such approaches, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade;

6. *Invites* Parties and admitted observer organizations to submit to the secretariat, by 15 March 2013, their views on the modalities and procedures for the non-market-based mechanism;
7. *Decides*, to conduct one or more workshops with Parties, experts, and other stakeholders in a structured manner in order to explore and develop different and additional options of non market mechanisms with conclusions and relevant recommendations to be reported back to the COP/18 for its consideration.
8. *Decides* to establish a Joint Mitigation and Adaptation Mechanism for the integral and sustainable management of forests as a non-market alternative to operate under the guidance and authority of the Conference of the Parties, according to paragraph 67 of decision 2/CP.17.
9. *Decides* to request the Subsidiary Body for Scientific and Technological Advice, to develop the modalities, procedures, and the institutional architecture of the Joint Mitigation and Adaptation Mechanism for the integral and sustainable management of forest to report for adoption at the COP 19, and to assess and support the needs identified by developing country Parties for its implementation.