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English only

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

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

**Fifteenth session, part two**

**Doha, 27 November 2012–\***

Agenda item 3

**Preparation of an agreed comprehensive and balanced outcome to be presented to the Conference of the Parties for adoption at its eighteenth 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 decision 1/CP.13, taking into account decisions adopted by the Conference of the Parties at its sixteenth and seventeenth sessions 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

**Other matters**

## **Ideas and proposals on the elements contained in paragraph 1 of the Bali Action Plan**

### **Submissions from Parties**

1. At the first part of the fifteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), the Chair of the AWG-LCA recalled the open invitation to Parties to provide additional information, views and proposals on all issues under the Bali Action Plan (decision 1/CP.13)<sup>1</sup> and invited those

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\* The second part of the session will be held in conjunction with the eighteenth session of the Conference of the Parties. The opening date of the fifteenth session, part two, of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention will be Tuesday, 27 November 2012. The closing date will be determined in due course.

<sup>1</sup> FCCC/AWGLCA/2008/3, paragraph 23.

**FCCC/AWGLCA/2012/MISC.8**

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Parties planning to make a submission in this context to focus on concrete textual proposals.<sup>2</sup>

2. As at 16 November, the secretariat had received 13 such submissions from Parties. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced\*\* in the language in which they were received and without formal editing.<sup>3</sup>

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<sup>2</sup> FCCC/AWGLCA/2012/3, paragraph 17.

\*\* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

<sup>3</sup> The submissions by Parties to the AWG-LCA are also available at <[unfccc.int/4578](http://unfccc.int/4578)>.

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Paper no. 1: Algeria, Argentina, Bahrain, Bolivia (Plurinational State of), Brazil, Burkina Faso, China, Cuba, Ecuador, Egypt, El Salvador, India, Iraq, Kuwait, Malaysia, Nicaragua, Pakistan, Saudi Arabia, South Africa, Sudan, Thailand, Uruguay and Venezuela (Bolivarian Republic of)

**Submission to be presented as CRP document by Algeria, Argentina, Bahrain, Bolivia, Brazil, Burkina Faso, China, Cuba, Ecuador, Egypt, El Salvador, India, Iraq, Kuwait, Malaysia, Nicaragua, Pakistan, Saudi Arabia, South Africa, Sudan, Thailand, Uruguay, and Venezuela, on cooperative sectoral approaches and sector-specific actions in order to enhance the implementation of Article 4, paragraph 1(c), of the Convention**

## **General Framework**

*The Conference of the Parties,*

*Recalling* the commitments under the Convention, in particular Article 4, paragraphs 1, 3, 5, 7, 8 and 9,

*Reaffirming* the objective, principles and provisions of the Convention, in particular its Article 2, Article 3, paragraphs 1, 2, and 5, and Article 4, paragraphs 1(c), 3, and 7,

Taking into consideration the historical responsibilities of Parties included in Annex I to the Convention in their contribution to climate change,

*Affirming* that cooperative sectoral approaches and sector-specific actions shall not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, more specifically on the trade from developing country Parties,

*Reaffirming* that food security is important and should not be compromised by sectoral approaches and sector specific actions,

*Affirming* that cooperative sectoral approaches and sector-specific actions shall not limit the ability of developing country Parties to pursue economic and social development and poverty eradication, and, to that end, that it is essential that cooperative sectoral approaches and sector-specific actions are undertaken in a manner that is supportive of an open international economic system,

*Reiterating* the importance of promoting and enhancing cooperative action on the development and transfer of environmentally sound technologies to developing country Parties now, up to and beyond 2012, in order to achieve the objective of the Convention,

1. Decides that cooperative sectoral approaches and sector-specific actions shall enhance the implementation of Article 4, paragraph 1(c), of the Convention, in accordance with the Bali Action Plan.
2. Also decides that cooperative sectoral approaches and sector-specific actions shall be consistent with the provisions and principles of the Convention, in particular the principle of equity, common but differentiated responsibilities, Article 4, paragraphs 3, 5 and 7, and the promotion of a supportive and open international economic system.
3. *Further decides* that cooperative sectoral approaches and sector-specific actions shall take fully

into account differences in geographic, economic and social conditions and specific national development priorities and circumstances, in particular of developing country Parties, in accordance with equity and common but differentiated responsibilities and in the light of the fact that economic and social development and poverty eradication are the first and overriding priorities of developing country Parties.

4. *Agrees* that cooperative sectoral approaches and sector-specific actions shall not lead to new commitments for developing country Parties, nor create barriers and distortions in international trade, in particular for the exports of developing country Parties.

### **International aviation and maritime transport**

1. Decides that all Parties included in Annex I to the Convention shall pursue limitation or reduction of emissions of greenhouse gases not controlled by the Montreal protocol from civil aviation and maritime bunker fuels, working exclusively through the International Civil Aviation Organization and the International Maritime Organization, respectively.

2. Also encourages that while pursuing the limitation and reduction of emissions of greenhouse gases from international aviation and maritime transport, the International Civil Aviation Organization and the International Maritime Organization shall work in accordance with the principles and provisions of the Convention, in particular the principles of equity and common but differentiated responsibilities

3. Affirms that cooperative sectoral approaches in the international aviation and maritime transport shall enhance the implementation of article 4. 1. c of the Convention in order to increase the promotion and cooperation in the development, application and diffusion, including transfer, of technologies, practices and processes

4. *Agrees* that civil aviation and maritime transport constitute essential sectors for the achievement of the overriding priorities of economic and social development of developing countries and that restrictions on the development in these sectors will hinder development priorities of developing countries.

5. Decides that all Parties included in Annex I to the Convention, in pursuing limitation and reduction of emissions of greenhouse gases from civil aviation and maritime transport, shall refrain from unilateral actions that are not consistent with the principles and provisions of the Convention and its Kyoto Protocol;

6. Decides that any actions related to limitation or reduction of emissions of greenhouse gases not controlled by the Montreal protocol from civil aviation and maritime bunker fuels that are not part of a global framework, can only be pursued with the mutual consent of all Parties involved and affected.

## Paper no. 2: Alliance of Small Island States

### AOSIS non-paper

#### 2013-15 Review: Reasons and benefits of expert consideration of inputs by a Review Expert Group

##### Context

- Parties agreed in Cancún that the 2013-2015 Review would review “the adequacy of the long-term global goal [...] in light of the ultimate objective of the Convention” (Decision 1/CP.16, para 138) and would consider, *inter alia*, “strengthening the long-term global goal, referencing various matters presented by the science, including in relation to temperature rises of 1.5°C”. (Decision 1/CP.16, para 139 (a)(iv))
- In this context, the Review will need to assess whether the current long-term goal (‘LTG’) can ensure the “stabilization of GHG concentrations [...] at a level that would prevent dangerous anthropogenic interference with the climate system” (UNFCCC, Art 2).
- Parties decided in Durban (Decision 1/CP.17, para 164) that the Review should consist of several phases, including:
  - (i) “information gathering and compilation” (‘Phase 1’); and
  - (ii) “... technical assessment through the organization of workshops, technical studies and the preparation of synthesis reports” (‘Phase 2’).
- The work under the Review will therefore involve:
  - The collection of data relating to observed and projected impacts of climate change, including impacts associated with warming of 1.5°C or 2°C;
  - The analysis of these impacts and an assessment of factors relevant to whether the current and projected impacts would constitute dangerous anthropogenic climate change.
- For this purpose, Decision 2/CP.17 clarified that the Review will be “supported by expert consideration of the inputs”, including through workshops and other in-session and intersessional activities (para 162), and contemplated the establishment of a **Review Expert Group (REG)** to “provide technical support to the Review.” (para 163)

##### Rationale

- The analysis of current and projected climate change impacts to inform an assessment of the adequacy of the LTG will require the synthesis and distilling of technical information from the IPCC and other scientific reports into concrete conclusions regarding projected impacts under different temperature scenarios.
  - This is a complex and highly specialized task that needs to be undertaken in an objective and scientific manner, **requiring expertise and scientific capacity beyond that of UNFCCC negotiators and the Convention’s subsidiary bodies.**
  - The Review process will require significant time commitment beyond the existing work of UNFCCC negotiators, particularly during 2014, when most of the outputs of the IPCC’s AR5 become available.
- Decision 1/CP.17 states that the IPCC’s Fifth Assessment Report (AR5) and its “special reports and technical papers” will be a primary input to the 2013-15 Review. But the Review will also need to consider information that becomes available after the cut-off dates for information able to be considered in the AR5 - many of these deadlines fall as early as 2012. The Review will therefore bridge a potential two-year information gap by allowing consideration of further scientific inputs that become available at least through to late 2014.

- The internal decision-making processes of the IPCC and associated lag-times mean that tasking the IPCC to undertake the scientific and technical aspects of the review process is not a plausible option, particularly given that the busiest time for the review in 2014 will coincide with the IPCC's finalisation of its AR5. A separate expert group therefore needs to be established.

### **The role of the SBI and SBSTA**

- The Subsidiary Bodies ('SBs') will play an important part in the 2013-2015 Review, in particular during the first phase of gathering and compiling relevant information. The SBs should also be tasked with identifying information gaps and, where necessary, making requests for the preparation of additional inputs and studies that would be useful for conducting the Review.
- However, the work of the Subsidiary Bodies **must** be complemented by a REG **with the ability to meet intersessionally** and the **expertise to digest and synthesize highly technical information in a short period of time**, particularly during the most intense phase of the Review in 2014, when most of the work will need to be done (as recognized by the LCA contact group on Review in June 2012).
- Preliminary discussions with the UNFCCC secretariat have indicated that conducting this in-session and intersessional work in a joint SB contact group will likely involve a significant additional dedication of budgetary resources, particularly in light of the current proposal for "adequate funding support from the UNFCCC Secretariat's budget for the participation and representation of all developing country Parties in all phases of the review and in all activities, meetings, workshops and sessions of the SBI and SBSTA that are part of the review process." Conducting the Review's technical and analytical work in a smaller Review Expert Group is likely to be a significantly cheaper and more efficient option.

### **Characteristics of a REG**

- An **objective and impartial approach** in order to protect the scientific integrity of the Review;
- **Significant expert, scientific and technical capacity** beyond that of UNFCCC negotiators, in particular familiarity with the work of the IPCC, and the ability to distill and synthesize a wide range of data and inputs into policy-relevant material;
- **Specific expertise related to the observed and projected impacts** of anthropogenic climate change under different temperature scenarios, including 1.5°C and 2°C of warming. This should also include expertise at the national and regional level, per Decision 2/CP.17, para 161(d);
- **Capacity and resourcing to meet intersessionally**, both to take on board information that becomes available after the 2012 deadline for inputs to the AR5, and the ability to quickly and efficiently intensify activities in 2014 with a view to preparing a synthesis report to inform "appropriate action" by the COP in 2015; and
- **Ownership by the Parties:** Comprised of national experts nominated by the Parties, under the ultimate authority of the COP.

### **Elements for a Doha decision**

- Request the SBs, beginning in 2013, to gather and compile information relevant for conducting the Review, including the sources listed in para 161 of Decision 2/CP.17 (para 161). This could be informed by an indicative listing of suggested reports / sources prepared in advance by the secretariat; and
- Establish a Review Expert Group to commence its substantive work in early 2013, noting that the Working Group reports of the IPCC's AR5 will begin to be made public in the first half of 2013.



#### Constitution and composition of the REG

- The Review Expert Group shall be composed of twenty-one (21) experts with recognized scientific and technical expertise, including verifiable association with a scientific institution, in the following areas: earth systems science; sea-level rise; extreme events; sustainable development and climate change; ocean acidification; food security; water security; infrastructure; agriculture; and health and climate change.
- The 21 experts appointed to the REG shall be comprised as follows: seven experts from Annex I countries, and eleven experts from Non-Annex I countries, as follows: three experts from Africa; three experts from Asia-Pacific; three experts from Latin America and the Caribbean; one expert each from the Small Island Developing States and the Least Developed Countries. In addition, the Executive Secretary shall appoint three experts from organizations with relevant experience to participate in the group.
- The UNFCCC Roster of Experts should be considered as a possible pool of resources to address specific aspects of the Review on an as-needed basis.
- The Chairmen of the subsidiary bodies shall be notified of these appointments.

#### Timeline for the REG

- Request the REG should begin its work in early 2013 and as soon as the nominations to the REG have been confirmed. It will meet as many times as necessary, including intersessionally.
- Request the secretariat to organize the REG's meetings and workshops, provide technical support and disseminate its work product, as required.
- Request the REG to report to the COP at its 19<sup>th</sup> (2013) and 20<sup>th</sup> (2014) sessions, and to make its work available at regular intervals to the subsidiary bodies (SBI, SBSTA and the ADP), with the assistance of the secretariat.
- Decide that the REG shall complete its work and present its assessment / synthesis report to the ADP in early 2015 to inform "appropriate action" in the context of final negotiations on a new Protocol under the Convention.

Paper no. 3: Argentina, Bolivia (Plurinational State of), Democratic Republic of the Congo, China, Dominica, Ecuador, Egypt, El Salvador, India, Iran (Islamic Republic of), Iraq, Kuwait, Malaysia, Mali, Pakistan, Philippines, Saudi Arabia, Sri Lanka and Sudan

## **DRAFT DECISION ON SHARED VISION**

### **Submission from**

Argentina, Bolivia, Democratic Republic of the Congo, China, Dominica, Ecuador, Egypt, El Salvador, India, Iran, Iraq, Kuwait, Malaysia, Mali, Pakistan, Philippines, Saudi Arabia, Sri Lanka, Sudan

The Conference of the Parties,

*Recalling* paragraph 1(a) of decision 1/CP.13 and the relevant paragraphs on shared vision in decisions 1/CP.16 and 2/CP.17;

*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;

*Recalling* that in order to achieve a just balance among the economic, social and environmental needs of present and future generations, it is necessary to promote harmony with nature in a holistic and integrated approach to sustainable development and lead to efforts to restore the health and integrity of the Mother Earth ecosystem;

*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 nationally 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, particularly in developing countries;

*Recalling* the principles and provisions of the Convention, in particular Article 3, paragraphs 1, 2, 4 and 5, and Article 4, paragraphs 3, 5, 7, and 8, 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;

*Also acknowledging* that, according to the preamble and Article 4, paragraph 7, of the Convention, social and economic development and poverty eradication are the first and overriding priorities of developing countries;

1. *Affirms* that 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;
2. *Decides* that the 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 and equitable allocation framework for emissions wherein Annex I

Parties take the lead in undertaking deep binding emission reductions in the short-, mid- and long-terms that reflect their historical responsibility for global emissions and in providing finance, technology and capacity-building to developing countries, consistent with their commitments under the Convention. In this context, Annex I Parties commit and undertake to reduce their aggregate emissions by 40 to 50 percent below 1990 levels by 2020 through ambitious, robust, and comparable national quantified emission limitation and reduction obligations under the Kyoto Protocol for those that are Parties to the Protocol and under the Convention for those that are not Parties to the Protocol;

3. *Affirms* that 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.
4. *Decides* further that part of the context and conditions for the achievement of the long-term global goal on emissions reductions and in achieving the peaking of global emissions as soon as possible is the fulfillment of the following long-term goals:
  - a) On adaptation – all Parties and relevant Convention bodies, including the Green Climate Fund and other designated operating entities of the Convention financial mechanism, shall address adaptation with the same priority as mitigation, including in the area of the provision of financing from Annex II Parties to developing country Parties, consistent with Article 3, paragraph 4, of the Convention, and ensure that the needs of developing country Parties to undertake adaptation actions as a result of the adverse effects of climate change, including loss, damage, and negative development impacts, are fully supported by developed country Parties consistent with their obligations under the Convention. Actions of Parties and Convention bodies under this subparagraph shall be monitored and assessed by the Adaptation Committee with respect to their impacts on developing countries and continuing needs for support;
  - b) On finance - the provision of measurable, reportable and verifiable new and additional financial flows mainly from public sources from Annex II Parties to developing country Parties, consistent with Article 4, paragraphs 3, 4, 5, and 7, of the Convention, channeled through the Green Climate Fund, in amounts sufficient to meet the assessed financing needs for mitigation and adaptation actions in developing countries and for technology transfer to developing countries, in order to enable them to make their equitable contributions towards meeting the long-term global goal for emission reductions and global peaking, commencing with an initial annual amount of not less than 3 percent of the annual aggregate gross national product of Annex II Parties from 2020. Actions of Parties and Convention bodies under this subparagraph shall be monitored and assessed by the Standing Committee with respect to their impacts on developing countries and continuing financing needs;
  - c) On technology - the accelerated and operational provision of technological support from Annex II Parties, through measurable, reportable, and verifiable modalities for effective technology transfer to be developed by the SBSTA and endorsed by the COP, to developing country Parties to enable action on mitigation and adaptation, including identification and removal of all barriers that prevent effective technology transfer to developing country Parties and their development of endogenous technologies, consistent with Article 4, paragraph 5, of the Convention;

- d) On capacity building – support from Annex II Parties to developing country Parties for climate change action-related capacity building activities are made operational, measurable, reportable, and verifiable, subject to appropriate guidelines to be developed by the SBI and endorsed by the COP.
5. *Agrees* that all Parties should cooperate to reach the peak of global emissions as soon as possible in order to achieve the objective of the Convention, while recognizing that Annex I Parties should have, in accordance with their commitment under the Convention, already peaked and hence such Annex I Parties shall take the lead in peaking their emissions. The timeframe for peaking will be longer for developing countries and shall reflect their different national circumstances, taking into account the extent to which Annex II Parties provide finance, technology transfer, and capacity building to developing countries pursuant to the Convention, and that the equitable access of developing country Parties to sustainable development is ensured.
6. *Decides* that the developed country Parties shall not resort to any form of unilateral 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;
7. *Decides further* that 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 licenses and the freedom to determine the grounds upon which such licenses 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; and all Parties shall ensure removal of all obstacles to ensure the transfer of technology to developing countries. The implementation of this paragraph shall be monitored by the Technology Executive Committee, which shall submit annual reports to the SBSTA for its consideration and report to the Conference of the Parties.
8. *Decides also* that all actions of Parties towards meeting the objective of the Convention towards the achievement of the long-term global goal for emission reductions and the peaking of global emissions shall also be to ensure harmony between humanity and nature in defense of Mother Earth, particularly in order to adapt naturally to climate change to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner;
9. *Decides further* that a work programme is hereby established under the Subsidiary Body on Implementation to study the issue of developing a compliance regime under the Convention, particularly in relation to the compliance of Annex I and II Parties with their obligations under the Convention, and the linkages of such compliance regime with international law and dispute settlement under the International Court of Justice;
10. *Decides* that the bodies referred to in paragraphs 4(a), (b), (c), (d), 7, and 9, above shall submit their reports and recommendations annually to the Conference of the Parties for its consideration and appropriate action.

Paper no. 4: Belarus on behalf of Parties included in Annex I to the Convention undergoing the process of transition to a market economy

## **Decision -/CP.18**

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

*Recalling* decision 2/CP.17, chapter VIII with regard to Parties included in Annex I undergoing the process of transition to a market economy,

*Taking into account* these Parties' economic structures and resource bases and their need to maintain continuous and sustainable low-emission economic growth,

*Recognizing* that these Parties are still lacking the adequate and predictable financial resources and instruments to be provided for non-Annex I Parties for meeting their costs of mitigation, adaptation and technology transfer,

*Decides* that [a certain degree of flexibility shall be allowed to the Parties included in Annex I undergoing the process of transition to a market economy, with regard to] [the Parties included in Annex I undergoing the process of transition to a market economy shall be exempted from] the provision of new and additional financial resources to other Parties in contributing to the achievement of the objective of the Convention, until 2020, when a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties comes into effect.

*Invites* Parties included in Annex I undergoing the process of transition to a market economy, that are in a position to do so, to provide the said new and additional financial resources to other Parties on a voluntary basis.

Paper no. 5: Bolivia (Plurinational State of), China, Cuba, Dominica, Ecuador, Egypt, El Salvador, India, Iran (Islamic Republic of), Iraq, Kuwait, Malaysia, Nicaragua, Philippines, Saudi Arabia, Sri Lanka and Venezuela (Bolivarian Republic of)

## Draft Decision on Review

**Submission from Bolivia, China, Cuba, Dominica, Ecuador, Egypt, El Salvador, India, Iran, Iraq, Kuwait, Malaysia, Nicaragua, Philippines, Saudi Arabia, Sri Lanka and Venezuela**

The Conference of the Parties,

*Recalling* decision 1/CP.16, paragraphs 4 and 138-140, and decision 2/CP.17, paragraphs 157-167,

*Affirming* that the review is not a review of the Convention itself and that it aims at assessing the implementation of commitments under the Convention,

*Also affirming* that the review can only be understood in the context of such a review leading to the achievement of the objectives of the Convention under Article 2, with a view to identifying gaps to achieving the ultimate objective of the Convention and enabling the full, effective and sustained implementation of the Convention,

*Reaffirming* that the review shall be guided by the principles of the Convention, especially the principles of equity and common but differentiated responsibilities and respective capabilities, and shall be conducted in accordance with the relevant provisions of the UNFCCC, especially Articles 4.1, 4.2(b), 4.2(d), 4.3, 4.5, 4.7, 4.8, 7.2(a), 7.2(e), 10.2(a), 10.2(b), 12.1, 12.2 of the Convention.

1. *Decides* that the review should assess:

- a) The adequacy of the long-term global goal, in the light of the ultimate objective of the Convention, and the overall progress made towards achieving it, in accordance with the relevant principles and provisions of the Convention;
- b) The adequacy of the implementation of the commitments under the Convention, in particular the adequacy and effectiveness of the binding and ambitious emission reduction commitments of Parties included in Annex I to the Convention, and the commitments of Parties included in Annex II to the Convention for the provision of financial resources and the transfer of technology and capacity-building to developing countries, given that the extent of adaptation costs is contingent on meeting the necessary emission reduction commitments;
- c) The adverse social and economic impacts on developing country Parties of climate change and response measures to combat climate change.

2. Pursuant to paragraph 162 of decision 2/CP.17, *also decides* to establish a joint contact group of the SBSTA and SBI to facilitate the assistance of SBI and SBSTA in conducting the review. The SBI/SBSTA joint contact group will consider the inputs referred to in 2/CP.17, paragraph 161 and be supported by workshops and other in-session and inter-sessional activities, as appropriate, organized under these subsidiary bodies, upon agreement by Parties.

3. *Agrees* that the information gathering and compilation phase referred to in paragraph 164 of decision 2/CP.17 shall be undertaken continuously during the period from the start of the review in 2013 to not later than six (6) months before the conclusion of the review in 2015.

4. *Also agrees* that the review shall be conducted transparently and with the full participation of the Parties, which shall be ensured through the provision of adequate funding support from the UNFCCC Secretariat's

budget for the participation and representation of all developing country Parties in all phases of the review and in all activities, meetings, workshops, and sessions of the SBI and SBSTA that are part of the review process.

Paper no. 6: Bolivia (Plurinational State of), Philippines, African States, Central American Integration System countries (Belize, Costa Rica, Dominican Republic, El Salvador, Honduras, Nicaragua, Panama), Argentina, Ecuador, Indonesia, Malaysia, Pakistan, Sri Lanka, Thailand and Venezuela (Bolivarian Republic of)

Bolivia, Philippines, African Group, SICA Countries (Belize, Costa Rica, Dominican Republic, El Salvador, Honduras, Nicaragua, Panama), Argentina, Ecuador, Indonesia, Malaysia, Pakistan, Sri Lanka, Thailand, and Venezuela

**Enhanced action on adaptation**

*The Conference of the Parties,*

*Recalling* decisions 1/CP.13, 1/CP.16, 1/CP.17 on the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012, particularly on elements for enhanced action on adaptation, as well as enhanced action on the provision of technology and financial resources and investment to support action on adaptation,

*Reaffirming* the commitments set forth in Article 4 paragraphs 1(e), 3, and 4 of the Convention, on financing for adaptation,

*Concerned* that the impacts of climate change, together with the international financial and economic crisis, have affected agricultural production worldwide and these are threatening food security,

*Recalling* that the historical accumulation of greenhouse gasses since 1850 has caused climate change and the responsibility of developed countries in taking the lead as well as supporting developing countries in responding to climate change,

*Also concerned* that support to the adaptation activities in the developing countries require enhanced financial resources and that delivery mechanism remain under funded,

*Recalling further* Article 3, sub-paragraph 4 that states that the Parties have a right to, and should promote sustainable development, and that economic development is essential for adopting measures to address climate change,

*Taking fully into account* its decision 1/CP.16, paragraphs 11 to 35 on enhanced action on adaptation, in particular paragraph 18 on the provision of long-term, scaled-up, predictable, new and additional finance, technology, and capacity building, consistent with relevant provisions, for the implementation of adaptation actions,

*Reaffirming* the need to promote implementation of enhanced action on adaptation in a coherent manner under the Convention,

*Also reaffirming* that consistency should be sought and maintained between activities, including those related to funding, relevant to climate change adaptation undertaken outside the framework of the financial mechanism and the policies, programme priorities and eligibility criteria for activities as relevant, established by the Conference of the Parties,

*Being aware* that a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund, that was established by the COP and designated as an operating entity of the financial mechanism, as contained in paragraphs 100 and 102 of its decision 1/CP.16, and that the Board should ensure a balanced allocation to adaptation in comparison to other priorities,



1. *Decides*, in keeping with Decision 1/CP.17, paragraph 121, sub-paragraph (a) and through the Adaptation Committee in line with its function laid out in decision 1/CP.16, paragraph 20, sub-paragraph (d), further reiterated in decision 2/CP.17, paragraph 93, sub-paragraph (d), and the modalities laid out in paragraph 94, to establish a process through the Adaptation Committee, in collaboration with the Standing Committee, to develop recommendations with relevant Convention bodies and others, including the Technology Executive Committee, on means to incentivize the implementation of adaptation actions, including finance, technology, and capacity-building identifying opportunities and further actions for consideration by the Conference of the Parties;
2. *Also requests* the Adaptation Committee and the Standing Committee, as part of this joint-process and in accordance with their respective mandates, to cooperate on the implementation of 1/CP.16, paragraph 18, to develop recommendations and effective guidance for the operating entities of the Convention and other financial mechanism with a view to supporting developing country Parties, taking into account the needs of those that are particularly vulnerable through long-term, scaled-up, predictable, new and additional finance, technology and capacity-building, and the support for urgent, short-, medium- and long-term adaptation actions, plans, programmes and projects at the local, national, sub-regional and regional levels;
3. *Requests* the Adaptation and Standing Committees in the framework of the process, to organize a workshop in parallel with 38<sup>th</sup> session of the Subsidiary Bodies on ways to promote implementation of enhanced action on adaptation in a coherent manner under the Convention as part of this process and to organize such a workshop periodically every year thereafter;
4. *Further requests* the Adaptation Committee to include in its annual report to the COP, information and recommendations based on the results of this joint-process,
5. *Also requests* the Standing Committee, as part of its function on maintaining linkages with the thematic bodies of the Convention, provided for in decision 2/CP.17, paragraph 121, sub-paragraph (b), to include in its draft guidance for the operating entities of the financial mechanism to be provided to the COP, the information and recommendations as a result of this joint-process;
6. *(Placeholder for further actions following recommendations from the Adaptation Committee mandated in decision 5/CP.17, paragraph 30)*
7. *Requests* the Adaptation Committee to include in its work programme, in accordance with its functions and modalities, activities 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 and provide recommendations in its annual report to the COP;
8. *Also requests* the Adaptation Committee to include in its work programme, in accordance with its functions and modalities, activities 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; and provide recommendations in its annual report to the COP;
9. *Further requests* the Adaptation Committee to consider in its work plan, in accordance with decision 1/CP.13, paragraph 1c(v), activities to promote economic diversification to build resilience;
10. *Further requests* the secretariat, as provided for in decision 2/CP.17, paragraphs 118 and 124, to support and facilitate the work outlined in this decision.

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

This submission is supported by Albania, Bosnia-Herzegovina, Croatia and Serbia

Nicosia, 16 / 07 / 2012

**Subject: Cooperative sectoral approaches and sector specific actions; emissions from international aviation and maritime transport.**

**Context**

During the discussions on agenda item 3b(iv) – cooperative sectoral approaches and sector specific actions - of the 15<sup>th</sup> session of the AWG-LCA in Bonn (15-24 May 2012), Parties indicated that the exchange of views during the two meetings of the informal group had been useful but that they needed more time to reflect before submitting text proposals that could form the basis of negotiations in the coming sessions.

In Bonn, three questions drafted by the facilitator formed the basis of a constructive discussion. The EU welcomes this opportunity to elaborate on its position, using those three questions as a point of departure.

**General remarks**

- The EU fully shares the grave concern expressed by Decision 1/CP.17 about the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of GHG by 2020 and aggregate emission pathways consistent with the 2°C or 1.5°C objective.
- Against this background, the EU is committed to engage proactively in the work plan on enhancing mitigation ambition to identify and to explore options for a range of actions that can close the pre-2020 ambition gap with a view to ensuring the highest possible mitigation efforts by all Parties.
- The EU urges all Parties to actively contribute to this process with a view to identifying and harnessing opportunities to bridge the gap, and to agree on clear steps that can allow the process to deliver increased ambition through a set of concrete actions.
- The EU has a clear preference for global measures and calls therefore for intensified cooperation in the context of all relevant international bodies.
- Raising the level of ambition with a range of complimentary initiatives that have the potential to reduce emissions beyond the level of current pledges and thus help close the ambition gap should include, inter alia, taking action to reduce emissions from international aviation and maritime transport, noting that current pledges do not cover these emissions.
- The EU calls for all Parties' continued work through ICAO and IMO to develop without delay global policy frameworks to address global GHG emissions from international aviation and maritime

transport. The UNEP Bridging the Emissions Gap report<sup>1</sup> indicates that it is feasible to curb the projected increase in bunker fuels emissions, and estimates an emissions reduction potential of 0.1 GtCO<sub>2</sub> in the aviation sector and of 0.2–0.4 GtCO<sub>2</sub> in the shipping sector, both in 2020.

- The EU considers that international aviation and maritime transport should form an adequate part of a pre-2020 COP Decision that could be taken at COP 18 in Doha calling upon all Parties to act through ICAO and IMO towards a timely global outcome consistent with the common long term global goal.
- The EU is of the view that international aviation and maritime transport should contribute to attaining - and be an integral part of - the long term global mitigation objective. The EU considers therefore that these sectors should be included in the new global instruments to be developed under the Durban Platform in a manner that takes account of the special and unique characteristics of these sectors and facilitates unhindered progress in ICAO and IMO.

### Questions from the facilitator on Sectoral Approaches and Sector Specific Actions

Discussions on sectoral approaches and emissions of international aviation and maritime transport in the May 2012 Bonn session helped to clarify Parties' positions. This was mainly due to the three questions raised by the facilitator which the EU will use as a basis to elaborate on its position.

#### Question 1):

*How can we frame a general framework that does not inhibit investment and growth in all the sectors as set out in art 4.1 (c) of the convention?*

- Paragraph 74 of Decision 2/CP.17 states that “Parties agree to continue discussing a general framework with a view to adopting a decision, as appropriate.”
- The EU is of the view that the sectors mentioned in article 4.1(c) - energy, transport, agriculture, forestry and waste management – are so diverse that it would not be helpful to have a one-size-fits-all general framework applied to them, and that the impacts of such a general framework paragraph on these respective sectors are unknown. Moreover some of these sectors no longer feature under the sectoral approaches discussion, for example separate discussions on forestry under the LCA have been ongoing for some time and separate discussions on agriculture have started in SBSTA.
- Furthermore, the sectors mentioned in article 4. 1(c) could be considered domestic sectors whereas international aviation and maritime transport are global, transboundary sectors that, as past SBSTA discussions have shown, are difficult to capture under the UNFCCC regime.
- The international aviation and maritime transport sectors play a significant role in facilitating world trade. It is essential that measures taken to address emissions from these sectors should not inhibit investment and sustainable growth. The EU believes that the best way of achieving this is to ensure that any measures are designed in a way that is consistent with the customary practices and principles of ICAO and IMO. It will be important to ensure that those investing in these international sectors have the confidence that ships and aircraft will be regulated on an equal, non-discriminatory basis, irrespective of their country of registration.
- Applying measures to ships and aircraft registered in developed countries only, would effectively mean that only a small share of emissions from these sectors would be addressed given over 70% of ships and a number of key fast growing international airlines including Emirates, Cathay Pacific, Singapore Airlines, Korean Air and South African Airlines are registered in developing countries. It

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<sup>1</sup> [http://www.unep.org/pdf/UNEP\\_bridging\\_gap.pdf](http://www.unep.org/pdf/UNEP_bridging_gap.pdf)

would also mean that aircraft operators and ships registered in developed countries, operating on the same routes as developing country operators would be at a competitive disadvantage. Furthermore, such an approach would likely lead to carbon leakage with commercial entities potentially shifting their operations or reflagging in order to evade reduction regulation. Such actions would mean that international aviation and maritime transport would not contribute sufficiently to global mitigation efforts and the environmental effectiveness of any measure would be considerably diminished.

- Therefore, the EU has the view that adopting a decision on a general framework paragraph is not appropriate.

**Question 2):**

*How would we like emissions from international bunker fuels to be handled under UNFCCC? How do we package a message(s) to other UN specialized agencies such as IMO and ICAO, dealing with bunker fuels?*

- The EU shares the view of many other Parties, that ICAO and IMO are the appropriate UN forums to develop and agree globally applicable, multilateral measures that address GHG emissions from international aviation and maritime transport.
- The EU is also of the view that the UNFCCC should send a message to ICAO and IMO via a COP decision that addresses all UNFCCC parties that are also members of ICAO and IMO.
- Such a COP decision could
  - (1) highlight that ICAO and IMO are the appropriate UN forums to develop and agree globally applicable, multilateral measures that address GHG emissions from international aviation and maritime transport;
  - (2) urge Parties to work cooperatively through ICAO and IMO in order to develop and agree such globally applicable, multilateral measures consistent with the common long term global goal;
  - (3) give guidance on the level of ambition the sectors should aim for; and
  - (4) highlight that such global measures should be based on the respective principles and customary practices that have successfully allowed ICAO and IMO to adopt globally applicable environmental regulations in the past, and acknowledge that the special circumstances and respective capabilities of parties could be addressed through both the said principles and practices, the specific design parameters of future ICAO and IMO measures and, for example, the use of potential revenues.

**Question 3):**

*Given that the LCA is to close at Doha, what kind of outcome would you like to see in Doha pursuant to Decision 2/CP.17 para 74 and 78?*

- Specific sectors including aviation and maritime transport have potential to contribute to closing the pre 2020 mitigation ambition gap and therefore will continue to be part of our discussions under the ADP mitigation ambition workplan.

Paper no. 8: India, Argentina, African States, China, Saudi Arabia, Kuwait, Egypt, Algeria, Venezuela (Bolivarian Republic of), Iraq, Thailand, Philippines, Libya, Iran (Islamic Republic of), Indonesia, Nicaragua, Cuba, Bolivia (Plurinational State of), Malaysia and Ecuador

**Submission by India, Argentina, African Group, China, Saudi Arabia, Kuwait, Egypt, Algeria, Venezuela, Iraq, Thailand, Philippines, Libya, Iran, Indonesia, Nicaragua, Cuba, Bolivia, Malaysia, Ecuador.**

Affirming the need to respect the principles and provisions of the Convention, in particular articles relevant to this issue and the Bali Action Plan,

Acknowledging also the need to reach an agreed outcome to enhance the effective, full and sustained implementation of the Convention, in accordance with the Bali Action Plan, in relation to economic and social consequences of response measures

**Affirming** that there is a need to give full consideration to what actions are necessary, including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures and that economic and social consequences of actual and potential response measures is an important issue for all developing countries

**Further acknowledging** that developing countries require assistance to assess the scope and magnitude of the negative consequences of the implementation of response measures

Further recognizing that adverse impacts of response measures constitute an additional burden that developing countries shall not have to bear as they could undermine their economic and social development

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 into full account the legitimate priority needs of developing countries for the achievement of economic and social development and the eradication of poverty.

1. **Agrees** that economic development is essential for developing country Parties to deal with climate change and that policies and measures taken by developed countries to combat climate change at global, national and regional levels shall not undermine the development, nor constitute a means of transferring the burden of climate change mitigation to developing country Parties.

2. **Decides** that the developed country Parties shall not resort to any form of unilateral 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.

3. **Further decides** that Parties shall implement their response measures to avoid and minimize the negative social consequences of response measures, in order to ensure a just transition of the workforce, the creation of decent work and quality jobs, in accordance with nationally defined development priorities and strategies, and in order to address adequately the social consequences of response measures.

**Submission by Japan on cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1(c), of the Convention**

***Introduction***

In taking into consideration on paragraphs 74 and 78 of Decision 2/CP.17, Japan suggests the following decision to be adopted at COP18.

***Draft text of future Decision***

The Conference of the Parties,

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

**General framework**

1. *Recognizes* that it may be useful for Parties to pursue cooperative sectoral approaches and sector-specific actions.

**International aviation and maritime transport**

1. *Decides* that the limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued working through the International Civil Aviation Organization and the International Maritime Organization.
2. *Urges* Parties that are also members of the International Civil Aviation Organization and the International Maritime Organization to work cooperatively in order to develop and concur on globally applicable, multilateral measures to limit and reduce emissions of greenhouse gases.
3. *Invites* the International Civil Aviation Organization and the International Maritime Organization to report on progress at future sessions of the UNFCCC.

## Paper no. 10: Turkey

**Recalling** decisions 26/CP.7 and 1/CP.16;

**Recalling** decision 2/CP.17 which foresees provision of support for mitigation, adaptation, technology development and transfer, capacity-building and finance to Parties whose special circumstances are recognized by the Conference of the Parties in order to assist these Parties in the implementation of the Convention;

**Noting** that capacity-building is critical to the effective participation of countries with special circumstances in the Convention and must be comprehensively addressed,

**Acknowledging** the importance of access to finance as well as technology development and transfer support under the Convention by Parties whose special circumstances are recognized by the Conference of the Parties in order to better implement the Convention,

1. **Urges** Parties included in Annex II to the Convention, relevant intergovernmental organizations, international financial institutions, other partnerships and initiatives, and any further arrangements, as appropriate, to provide technical and financial support to Parties whose special circumstances are recognized by the Conference of the Parties to help them conduct, identify and implement prioritized technology needs;

2. **Urges** Parties included in Annex II to the Convention, through multilateral agencies, including through the Global Environment Facility within its mandate, and bilateral agencies and the private sector, and through any further arrangements, as appropriate, to make available financial and technical support for capacity building, including assistance for the development of national strategies and action plans of Parties whose special circumstances are recognized by the Conference of the Parties consistent with their priorities;

3. **Invites** Parties included in Annex II to the Convention, through multilateral agencies, including through the Global Environment Facility within its mandate, bilateral agencies and the private sector or through any further arrangements, as appropriate, to make available financial assistance to Parties whose special circumstances are recognized by the Conference of the Parties in order to assist these Parties in the implementation of their national climate change strategies and action plans;

4. **Adopts** the framework for capacity-building activities including technical, human and institutional capacity in Parties whose special circumstances are recognized by the Conference of the Parties contained in the annex below.

### ANNEX

#### **Framework for capacity building in Parties whose special circumstances are recognized by the Conference of the Parties**

##### **A. Purpose**

1. The purpose of this framework for capacity building is to set out the scope and basis for action for capacity-building activities on technical, human and institutional capacity in Parties whose special circumstances are recognized by the Conference of the Parties under the Convention.

##### **B. Guiding principles and approaches**

2. This framework for capacity-building in Parties whose special circumstances are recognized by the Conference of the Parties is guided and informed by, *inter alia*, relevant Articles of the Convention and the relevant provisions contained in decisions 26/CP.7, 1/CP.16 and 2/CP.17.

3. As Parties whose special circumstances are recognized by the Conference of the Parties are faced with challenges to their existing capacities to implement the Convention, they need to enhance their ability to address climate change



issues. Capacity building is therefore critical to the effective implementation by these Parties of their commitments under the Convention.

4. Capacity building for these Parties must be country-driven, be consistent with their national sustainable development strategies, reflect their national initiatives and priorities, respond to needs determined and prioritized by themselves, and may be undertaken by or in partnership with other Parties and relevant organizations, as appropriate, in accordance with the provisions of the Convention.

5. Capacity building should contribute to the effective implementation of the Convention by Parties whose special circumstances are recognized by the Conference of the Parties.

6. Capacity-building efforts are more effective when they take place within an enabling environment conducive to the development of human, institutional and technical capacity.

7. Capacity building should be results-oriented and implemented in an integrated and programmatic manner to facilitate its monitoring and evaluation, cost-effectiveness and efficiency.

8. Capacity building is a continuous process aimed at strengthening or establishing, as appropriate, relevant institutions, organizational structures, and human resources in order to strengthen expertise relevant to paragraph 3 of this framework.

9. Capacities should be developed and strengthened in a manner and under conditions that will work towards sustainability and support the short- and long-term objectives and priorities of Parties whose special circumstances are recognized by the Conference of the Parties under the Convention.

10. Capacity building involves “learning by doing”. Capacity-building activities should be designed and implemented in a flexible manner.

11. Capacity building should improve the coordination and effectiveness of existing efforts and promote the participation of, and dialogue between, a wide range of actors and constituencies, including governments at all levels, international organizations, civil society and the private sector.

12. Wherever possible, capacity-building should utilize existing institutions and bodies and build on existing processes and endogenous capacities.

13. National focal points and other institutions, such as research centres and universities and other relevant organizations, should play an important role in providing capacity-building services and facilitating the flow of knowledge, best practices and information.

14. Capacity-building should be designed so that it results in the development, strengthening and enhancement of institutional capacities, human resources, knowledge and information, methodologies and practices, and the participation and networking of Parties whose special circumstances are recognized by the Conference of the Parties to promote sustainable development, and for the purpose set out in paragraph 1 of this framework.

15. Capacity building in support of achieving the objectives of the Convention should maximize synergies between the Convention and other global environmental agreements, as appropriate.

### **C. Objective and scope of capacity building**

#### *Objective*

16. To build the capacity of Parties whose special circumstances are recognized by the Conference of the Parties to enable them to effectively implement the Convention.

#### *Scope*

17. To ensure that capacity-building efforts are country-driven, Parties whose special circumstances are recognized by the Conference of the Parties should, within the scope of capacity building, determine their specific objectives, needs, priorities, and options to implement the Convention, consistent with their national sustainable development strategies, taking into account existing capacities and past and current activities undertaken by the country itself, and as appropriate in partnership with bilateral and multilateral institutions and the private sector.

18. General priority areas for capacity-building identified by Parties whose special circumstances are recognized by the Conference of the Parties related to the implementation of the Convention are identified in their national climate change strategies and include:

- (a) National greenhouse gas (GHG) inventories;
- (b) Projections of GHG emissions;
- (c) Policies and measures, and the estimation of their effects including their socioeconomic aspects;
- (d) Impact assessment and adaptation;
- (e) Research and systematic observation;
- (f) Education, training and public awareness;
- (g) Development and transfer of environmentally sound technologies;
- (h) National climate action plans;
- (i) National systems for estimation of GHG emissions;
- (j) Research, development and innovation capacity on climate change mitigation and adaptation;
- (k) Climate risk management;
- (l) Sustainable production and consumption;
- (m) Reporting obligations;
- (n) Market based mechanisms and various other approaches to enhance the cost-effectiveness of, and to promote mitigation actions;
- (o) MRV Systems.

19. In order to maximize available resources for capacity building and to facilitate exchange and cooperation, multilateral and bilateral agencies in consultation with Parties whose special circumstances are recognized by the Conference of the Parties should assist, as appropriate, the efforts of these Parties themselves to identify, develop and implement national, regional, local and sectoral activities that meet the capacity-building needs of these Parties.

## **D. Implementation**

### *Responsibilities for implementation*

20. In implementing the activities undertaken within this framework for capacity-building, Parties whose special circumstances are recognized by the Conference of the Parties and Annex II Parties have the following mutual responsibilities:

- (a) To improve the coordination and effectiveness of existing efforts;
- (b) To provide information to enable the Conference of the Parties to monitor progress in the implementation of this framework for capacity building.

21. In the implementation of this framework for capacity building, Parties whose special circumstances are recognized by the Conference of the Parties have the following responsibilities:

- (a) To provide an enabling environment to promote the sustainability and effectiveness of capacity-building activities relating to the implementation of the Convention;
- (b) To identify their specific needs, priorities and options for capacity building on a country-driven basis, taking into account existing capacities and past and current activities;
- (c) To identify and provide information on their own capacity-building activities;

- (d) To ensure the mobilization and sustainability of national capacities, including the institutional leadership necessary for national coordination and the effectiveness of capacity-building activities;
- (e) To promote the participation in and access to capacity-building activities of all stakeholders, including governments, civil society and the private sector, as appropriate.

22. In cooperating with Parties whose special circumstances are recognized by the Conference of the Parties to support the implementation of this framework for capacity building, Annex II Parties have the following responsibilities:

- (a) To assist Parties whose special circumstances are recognized by the Conference of the Parties, including by making available financial and other resources, to undertake country-level needs assessments to enable them to effectively implement the Convention.
- (b) To assist Parties whose special circumstances are recognized by the Conference of the Parties, including through the provision of financial and other resources, to implement options for capacity building consistent with their specific priorities and this framework.

#### *Financing*

23. The Annex II Parties, through multilateral agencies, including through the Global Environment Facility within its mandate, and bilateral agencies and the private sector as appropriate, are requested to make available financial and technical support to assist Parties whose special circumstances are recognized by the Conference of the Parties in the implementation of this framework for capacity building.

#### *Time frame*

24. The implementation of activities undertaken within this framework for capacity building should commence as soon as possible.

#### *Monitoring of progress*

25. The Conference of the Parties, through the subsidiary bodies, shall monitor the effectiveness of the implementation of this framework for capacity building.

26. Information to enable the Conference of the Parties to monitor the effectiveness of the implementation of this framework should be reported by Parties. Other institutions involved in capacity building in Parties whose special circumstances are recognized by the Conference of the Parties are invited to provide information for this purpose.

#### *Role of the secretariat*

27. In accordance with this framework for capacity building, the secretariat is requested, consistent with Article 8 of the Convention, to undertake the following tasks:

- (a) To cooperate with multilateral and bilateral institutions to facilitate the implementation of this framework;
- (b) To collect, process, compile and disseminate the information needed by the Conference of the Parties or its subsidiary bodies to monitor progress in the implementation of this framework for capacity building.

**Cooperative Sectoral Approaches and Sector-Specific Actions (agenda item 3b(iv))  
Submission of the United States of America**

August 21, 2012

During the 15<sup>th</sup> session of the AWG-LCA in Bonn, Germany, the facilitator put forward three questions to provide Parties a basis for discussion. The Parties expressed that it would be useful to have further time to reflect on views shared during those discussions as well as to further develop their own views. The United States elaborates on its position in this submission.

The United States is committed to addressing emissions from international aviation and maritime transport. The United States supports continued work through the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) to address greenhouse gas emissions from international aviation and maritime transport. We note that considerable work has been done and is ongoing in both IMO and ICAO that will reduce greenhouse gas emissions, including the adoption of energy efficiency standards by the IMO in July 2011 and the current development of a CO<sub>2</sub> standard for aircraft engines by ICAO.

Our responses to the facilitator's questions:

**(1) How can we frame a general framework that does not inhibit investment and growth in all the sectors as set out in art 4.1 (c) of the convention?**

In our view, the sectors laid out in article 4.1(c) are not sufficiently similar to warrant a single approach to addressing their emissions. Some of them are purely domestic sectors and some are predominantly domestic with international overlap. International aviation and maritime transport, however, are global sectors, for which dedicated international bodies have been established to develop necessary regulations and guidance. For this reason, the United States does not think that a framing paragraph is necessary or helpful for sectoral approaches.

**(2) How would we like emissions from international bunker fuels to be handled under UNFCCC? How do we package a message(s) to other UN specialized agencies such as IMO and ICAO, dealing with bunker fuels?**

The United States believes that IMO and ICAO, the United Nations bodies that develop regulations and guidance to address the complex and interconnected issues specific to these sectors, should continue to address greenhouse gas emissions from international bunker fuels. The United States is working through these organizations to take further action to cost-effectively reduce emissions and enhance energy efficiency through approaches that take into account the unique characteristics of these international sectors.

**(3) Given that the LCA is to close at Doha, what kind of outcome would you like to see in Doha pursuant to Decision 2/CP.17 para 74 and 78?**

While the United States would not oppose a decision that reiterates ICAO and IMO's role in

addressing the emissions of international aviation and shipping (suggested draft text below), we believe that such a decision is not necessary. ICAO and IMO have their own mandates to address greenhouse gas emissions, and they will continue to take action. The United States does not believe that IMO or ICAO require direction or guidance from the UNFCCC.

**Draft Decision Text for Cooperative Sectoral Approaches and Sector-Specific Actions (agenda item 3b(iv))**

**Framing Paragraph (para 74):** [no text]

**Bunker Fuels (para 78):** *Agrees that the limitation or reduction of emissions of greenhouse gases not controlled by the Montreal Protocol from international aviation and maritime transport should be pursued working through the International Civil Aviation Organization and the International Maritime Organization.*

**SUBMISSION BY THE  
BOLIVARIAN REPUBLIC OF VENEZUELA**

04 September 2012

**DRAFT DECISION TEXT ON TECHNOLOGY TRANSFER AND  
INTELLECTUAL PROPERTY RIGHTS**

The Conference of the Parties,

*Recalling* Article 4, paragraph 5, of the Convention,

1. *Affirms* that 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 rights 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 to climate change and/or mitigation of GHG emissions, 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 licenses and the freedom to determine the grounds upon which such licenses 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,
2. *Decides* that Parties shall ensure that intellectual property rights and agreements shall not be interpreted or implemented in a manner that limits or prevents any Party from taking any measures to promote adaptation or mitigation to climate change, including the improvement of their cost-effectiveness.
3. *Decides* further that the Parties should cooperate to undertake a range of measures including:
  - a) Create a global pool of goods and technologies to promote mitigation and adaptation to climate change; in which intellectual property right owners of climate technologies are required to make their intellectual property as well as know-how available to developing countries;
  - b) Use of full flexibilities contained in the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, including compulsory licensing;
  - c) Use differential pricing on patented technologies for developing countries in order to lower the cost of technology acquisition for developing countries;

- d) Review all existing relevant intellectual property rights regulations in order to provide significant information to remove the barriers and constraints affecting environmentally sound technologies;
- e) Promote innovative intellectual property rights sharing arrangements for joint development of environmentally sound technologies;
- f) Reduce time patents on climate-friendly technologies;

4. *Decides* that developed country Parties shall take all practicable steps to ensure that intellectual property rights are interpreted and applied in a manner that promotes, and ensures the cost-effectiveness, of adaptation and mitigation actions in developing country Parties;

5. *Decides* that the Technology Executive Committee shall perform additional functions as follows:

- a) Create a multisectoral expert groups to conduct technology assessments and look into the potential environmental, social and economic impacts and the appropriateness of new and emerging technologies on a needs basis;
- b) Undertake assessments in an independent manner, without conflict of interest, including existing, new and emerging technologies so as ascertain their appropriateness for adoption in or transfer to developing countries;
- c) Identify, suggest, and take measures to promote initiatives to overcome or remove obstacles or barriers to technology transfer to and in adopting in developing countries and to endogenous development of technologies in developing countries;
- d) Explore and implement measures to ensure that international rights and obligations relating to intellectual property shall be supportive and do not run against the objectives of the Convention, identifying, and promoting actions in all relevant forums for flexible mechanisms or intellectual property rights protection, especially those in the public domain;
- e) Recommend procedures for Parties to implement measures to ensure that flexible mechanisms related to international rights and obligations on intellectual property shall be supportive and do not run counter to the objective of the Convention;
- f) Identify, suggest and take measures to promote initiatives to overcome or remove obstacles to technology transfer to and adoption in developing countries. Among the barriers may be high cost of the technology, lack of financial resources and human expertise, lack of institutional arrangements to identify and introduce technologies, and intellectual property that may influence access;
- g) Analyze and recommend further activities to expand technologies in the public domain;
- h) Identify, suggest and promote actions in all relevant forums to exclude intellectual property rights (IPR) protection and revoke existing IPR protection in developing countries and least developed countries on environmentally sound technologies to adapt to and mitigate climate change,

including those developed through funding by governments or international agencies;

- i) Promote research and further independent innovation by developing countries;

6. *Requests* the Technology Executive Committee to report to the nineteenth session of the Conference of the Parties on the measures taken by Parties in relation to paragraphs 1 to 4 above and the actions of the Technology Executive Committee with respect to the additional functions under paragraph 5 above, for the appropriate action and further guidance of the Conference of the Parties.



**DRAFT DECISION ON MEDIUM TERM AND LONG-TERM FINANCE**

***Submission by Zambia and Malawi on behalf of the Least Developed Countries Group***

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*The Conference of Parties*

*Recalling* Article 4, paragraphs 3, 4 and 5 of the Convention,

*Also recalling* Article 4, paragraphs 1, 8 and 9, considered within the context of Article 4, paragraph 7,

*Keeping in mind* Article 11 of the Convention, in particular Article 11.1, which defines the financial mechanism which functions under the guidance of, and is accountable to the Conference of the Parties which shall decide on its policies, programme priorities and eligibility criteria for financing,

Recalling FCCC/CP/2009/11/add.1 paragraphs 1, 2, 3 and 8 which reaffirmed that climate change is one of the greatest challenges of our time, stressed the need for deep cuts in global emissions as documented by the IPCC Fourth Assessment Report with a view to reduce global emissions so as to hold the increase in global temperature below 2 degrees Celsius, emphasized the urgency with which enhanced action and international cooperation on adaptation is required to ensure the implementation of the Convention by enabling and supporting the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing countries, especially in those that are particularly vulnerable, especially least developed countries, small island developing States and Africa and further reaffirmed that developed countries shall scale up the provision of new and additional, adequate, predictable and sustainable financial resources, technology and capacity-building to support the implementation of adaptation action in developing countries,

*In fulfillment of* its decision 1/CP. 13, paragraph 1 (e), its decision 1/CP.16, paragraphs 18, 95 to 101, and paragraphs relevant to financing on all of the building blocks of the Bali Action Plan, as well as its decision 1/CP. 17, paragraphs 126 and 132,

*Expressing* grave concern over the recent and increasing incidence of extreme weather events, their intensity and unpredictability, causing serious damage in particular to developing countries,

*Underlining* the need for urgency in the implementation of commitments under the Convention related to financing, including for the transfer of environmentally friendly technology, and in particular in meeting costs of adaptation,

Recognizing the need for Developing Country Parties to implement mitigation actions in the context of sustainable development, poverty reduction and employment creation and ensuring country ownership and driven national development priorities;

**Decides**

- 1) That developed country Parties shall significantly scale up new and additional, predictable, adequate and sustainable financing provided to developing countries to reach a minimum level of US \$100 billion annually from 2013 up to 2020 taking into account the need for a balanced allocation between adaptation and mitigation,
- 2) Consistent with the conclusions of science, as established by the IPCC assessment Reports, and the provisions of the Convention, as well as the estimated losses and damage, Developed country Parties shall provide US \$xxx billion per year from 2020 to 2030 for adaptation technology transfer and capacity building to Developing Country Parties,

- 3) Based on expert but conservative estimates, Developed country Parties shall provide new and additional resources amounting to US \$xxx billion per year from 2020 to 2030 for mitigation actions to developing country parties,
  - 4) That enhanced direct access to these financial resources, for adaptation, mitigation, technology transfer and capacity building, shall be guaranteed,
  - 5) That the needs of Least Developed Countries, SIDS and Africa be especially prioritized in the provision of resources referred to in 1 to 3 above,
  - 6) The Standing Committee, shall Measure, Review, Verify and report to the Conference of the Parties, for its consideration, on the implementation of commitments by Parties and in fulfilling the provisions of this article as outlined in paragraphs 1 to 3 above,
  - 7) The Green Climate Fund, as an operating entity of the Financial Mechanism of the Convention, shall report to the Conference of the parties on efforts made to mobilize funds from public, private and innovative sources including the sustainability of appropriate resource mobilization measures to implement relevant articles of the Convention to meet the required scale of the financial resources referred to in paragraphs 1 and 2 above.
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