



# Technical paper<sup>1</sup>

## *United Nations Climate Change Sessions*

*Ad Hoc Working Group on the Durban Platform for Enhanced Action  
(ADP 2.4)*

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<sup>1</sup>The views expressed in this paper are those of the author and do not necessarily represent the views of the UNDP

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## **Summary**

The 2.4 meeting of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) took place in Bonn from 10 to 14 March 2014 where countries initiated the negotiations on a new universal agreement on climate change as part of global effort to keep the global temperature rise under 2 degrees Celsius this century. The aim is that in December 2014 in Lima, Peru, there will be a draft text for an agreement to be finalized in 2015 in Paris, entering into force in 2020.

## **Future Meetings**

To support the process there will be a number of meetings, amongst which the UN Secretary-General will host a September 2014 Climate Summit involving Heads of State to leaders of the private sector, again with the aim of catalysing climate action and raising ambition. During the Subsidiary Bodies meetings in June 2014 in Bonn, on 5-6 June there will be a high level segment that will support efforts in rising ambition under the Kyoto Protocol and the Durban Platform. A number of technical meetings are organised during the official sessions of the negotiations to identify ways of raising the ambition as well. In Bonn these focused on renewable energy sources and energy efficiency. For the June sessions the focus will be on related land use issues (LULUCF, agriculture, REDD+), HFCs and urban development actions (still not officially confirmed). Also there will be an additional ADP meeting in October 2014 in Bonn (with dates to be announced and financial resources found) in order to speed up the drafting endeavours. International organizations are well engaged and many, including UNDP, already support higher ambition on climate, both internationally and nationally.

## **Bonn Meeting – Overview**

At this ADP session all Parties expressed the view that it contributed to the progress towards the process of drafting a text for the post 2020 agreement. According to the statements in the final plenary, more understanding was achieved on where the Parties stand on the elements of the future agreement: mitigation, adaptation, finance, technology, capacity building and transparency of actions and support. As this was the first meeting which had detailed discussions on the elements, based on the Parties' submissions and statements, there was more clarity on possible convergences and disagreements, but there is still a long way to go to produce a draft text in

Lima. The format of the negotiations was turned into a more formal one, from open ended consultations to a contact group, which will cover both workstreams (pre 2020 ambition and post 2020 agreement). The contact group will work with the previously agreed agenda, with the same chairs, and work towards an outcome based on Parties' submissions and negotiations.

## **Details**

The main goals for this ADP session were to:

1. Initiate discussions in order to facilitate Parties' domestic preparations for their intended nationally determined contributions;
2. Advance as much as possible in the elaboration of the content of the 2015 agreement in order to develop elements for a draft negotiating text by Lima; and
3. Unlock opportunities for raising pre-2020 ambition, focusing on the practical aspects.

The negotiations were organised in the form of **open ended consultations** supported by work under:

- **Technical Expert Meetings (TEMs)** to examine the opportunities for actions with high mitigation potential. There will be TEMs at each of the sessions of the ADP in 2014 to share policies, practices and technologies and address necessary finance, technology and capacity building, with a special focus on actions with high mitigation potential. During the March session, technical expert meetings focused on opportunities for action on renewable energy and energy efficiency.
- **Three workshops:** A workshop on domestic preparations for intended nationally determined contributions; Briefing by relevant organizations and UN agencies on support for domestic preparations for intended nationally determined contributions; and briefing on voluntary cancellation of certified emission reductions as a means of closing the pre-2020 ambition gap.

## **I. Open ended consultations under the ADP 2.4**

1. **Intended Nationally Determined Contributions (iNDC)**

At the last UN Climate Change conference held in Warsaw in December 2013, countries agreed to initiate or intensify domestic preparations for the intended nationally determined contributions (iNDC) to be included in the 2015 agreement. It was agreed that such contributions have to be submitted in the first quarter of 2015 (by 31 March), for parties in a position to do so. The Warsaw decision also called for support from developed countries, organizations like the UN and other bodies, to provide support for that domestic process.

The UNDP and other organizations briefed the countries on the support that they can provide which will be further coordinated by the UNFCCC, including via an online portal.

There was a convergence of view around the necessity to include all Parties in the mitigation efforts, with differentiated contributions (taking into account national circumstances) – from economy-wide commitments for developed countries to quantified, or deviation from BAU, intensity targets, NAMAs, programmes and projects for developing countries (principle of CBDR&RC) with support to be provided. A possible timeframe from 5 to 10 years (possibly aligned with IPCC timing) with concrete targets and a long term inspirational goal was proposed for the duration of the commitments. As well as a process of assessment of the iNDCs to see if they meet the global goal of 2 degree C and to adjust if needed, the iNDCs will have to be transparent and most probably there is a need for guidance on the information to be provided (templates even). It was agreed in Warsaw that the submission of iNDCs have to be done in the first quarter of 2015 (for parties in a position to do so), and the SIDS appealed for earlier submissions as there will not be sufficient time for an assessment process. The main disagreement was around the inclusion of all the elements of the new agreement – mitigation, adaptation, finance, technology, capacity building (Grenada did not want to include adaptation) into the iNDCs (strongly supported by G77&China). However, all the developed countries insisted that only mitigation was intended to be included as this was the understanding in Warsaw. Another difficult issue still to be resolved is the divergent positions around contributions to be based on historical responsibility and using existing Annexes (developed/developing countries). Developed countries say that they will take the lead but not based on the historical responsibility as the Annexes do not reflect the current reality.

### **1.1. Workshop on “domestic preparations for intended nationally determined contributions” (iNDCs)**

At the workshop (11 March) countries engaged in an exchange on what constituted contributions. The workshop showed that while developed countries viewed the iNDCs as being about mitigation contributions, several developing countries saw contributions as encompassing all elements of the 2015 agreement not only mitigation but also adaptation, finance, technology development and transfer, capacity building as well as transparency of actions and support. There was also discussion over the connection of historical responsibility to determining contributions to a future agreement. Presentations were given by China, Mexico, Saudi Arabia, Thailand, and Nepal on behalf of LDCs, Ghana, UAE, Trinidad and Tobago, EU, Costa Rica, and USA. The presentations can be found at: [http://unfccc.int/meetings/bonn\\_mar\\_2014/workshop/8106.php](http://unfccc.int/meetings/bonn_mar_2014/workshop/8106.php)

## **1.2. Briefing by relevant organizations and UN agencies on support for domestic preparations for intended nationally determined contributions**

Seventeen organisations made presentations: GEF; Green Climate Fund (GCF); UNDP; World Bank; Climate Technology Centre and Network (CTCN); Agence Française de Développement (Afd); German Agency for International Cooperation (GIZ); CLIMACAP; Environment and Climate Regional Accession Network (ECRAN); European Forest Institute (EU-REDD Facility); Global Green Growth Institute (GGGI); Global Climate Change Alliance (GCCA); ClimaSouth; ClimaEast; MAPs project. The presentations are at: <http://unfccc.int/bodies/awg/items/8114.php>.

The fastest movers in terms of providing specific and concrete support on iNDCs are the GEF (in collaboration with UNDP and UNEP) and UNDP (through its NDC dialogues).

The UNFCCC Secretariat will facilitate coordination between various organisations on the NDC support.

## **2. Mitigation**

This discussion mainly repeated the discussion on iNDCs. Ideas for the timeframe of the new commitment period were expressed – short term 5 year targets with long term ambition, linked to IPCC. There is a need for all parties to undertake commitments but differentiated. Different types of commitments, from economy wide for developed countries to deviation from BAU, CO2 intensity, programmes and projects for the developing countries. There is a need to ensure the possibility for a review in accordance with the science linked to IPCC reports and 2C goal. A

strong view was expressed by developing countries for urgent financial support to be provided for the preparation of iNDCs by developing countries, although recognising the information provided at the briefing by the international organisations.

### **3. Means of implementation: Finance, Technology Transfer and Capacity Building**

Finance, Technology Transfer and Capacity Building were combined in this session for discussion under agenda item “Means of implementation”, which developing countries strongly objected to as they wanted sufficient attention and time to be allocated to each of the issues. While many agreed on the need to take forward the existing institutions and include them in the future agreement, at this session there was no answer on how to do so.

The main speaker for developing countries was China, expressing that: on Finance there should be a target for developed countries on how much they provide and a timetable based on the financial needs of the developing countries. The contributions should go to the Green Climate Fund (GCF) and a Monitoring Reporting and Verification (MRV) on the financial support should be developed by the Standing Committee. On Technology Transfer there is a need for the removal of barriers, including for IPR; need for a special window under GCF for technology for both mitigation and adaptation. Need for Technology Executive Committee (TEC) to be staffed and financed; R&D to be supported from Annex II to non Annex I. On Capacity Building: action on capacity building needs to be long term and sustainable until developing countries are able to implement the Convention. Annex II to provide quantified support for capacity building under the GCF. Capacity building should be established as a mechanism to be linked to the Climate Technology Center and Network (CTCN). There is a need for capacity building for NAMAs development and implementation as well.

Many expressed the view that there was progress on technology transfer, and indeed a lot was achieved with the establishment of the TEC and the CTCN, but there is still a need for the networks to be strengthened and the TNAs to be implemented under the new agreement.

### **4. Equity**

Discussions were mainly around the new agreement to be based on the Convention principles, mainly CBDR and RC (as there is no definition of equity in this process). In April 2014 a report of IPCC will have a chapter on SD and equity, which will help this process to define better equity. Some developing countries raised again the historical responsibility as a basis for equity. Developing countries insist that equity will mean keeping the existing Annexes, while developed countries prefer a revision of those Annexes.

## **5. Adaptation**

There was broad support for the African proposal to develop a long term goal on adaptation. However, there was no specific discussion on how to translate the proposal into details and concern over its operationalization. Many developing countries expressed concerns that financing adaptation is not sufficient as the existing funds are empty (LDCF; AP; SCCF; GCF). Generally Parties are in agreement that existing institutions on adaptation should be used for the new agreement and strengthened. Some said that there is a need for an adaptation platform but no clarity was provided on what exactly this platform would be. Developing countries called for the new agreement to also include the new mechanism of loss and damage and to look at it as a result of different mitigation scenario, and when adaptation does not occur, loss and damage results (part of the continuum of mitigation-adaptation-loss and damage). Developed countries were less enthusiastic about including loss and damage as a central component of the 2015 agreement, stating that the Warsaw Mechanism is new and needs time to develop.

Many developing countries see the NAPs as the basis for future adaptation work under the Convention. However, their implementation is still not a fact, and there is a need for more finance, technology transfer and capacity building (with an emphasis to move well beyond the Nairobi Work Programme in terms of capacity building and substantive support). All Parties should take enhanced action by formulating and implementing adaptation plans, while developed countries should provide financial and technological support to implement projects.

Bolivia suggested joint mitigation-adaptation actions based on forest related activities. As well there was an attempt to link adaptation support to historical responsibility.

While many supported the idea that adaptation is a global responsibility, there is a need for a lot of methodological work on adaptation (which was done already for mitigation), as well as the



involvement of local authorities, SMEs, and MRV for support of adaptation. Before drafting the text on adaptation some saw a need for countries to provide information regarding adaptation, such as information about their vulnerable sectors, quantification of investments needed, assumptions, options for adaptation, etc.

## **6. Transparency of actions and support**

Transparency of actions and support need to be in the future agreement as it is a basis for building trust.

### **6.1. Transparency of actions (mitigation)**

There is general agreement that under the new system the existing MRV system on mitigation is good and has to be built on (National Communications, Biannual Reports, Biannual Update Reports, technical reviews) and the Standing Committee should produce a report on financial flows.

However, there is a need to strengthen the preparation of the inventories and their reviews with the possibility for adjustments in a common reporting system, common accountability, common review system, and common compliance. The upfront information (iNDC) has to be transparent and other parties to have the opportunity to examine it. Also the ex post process/review process has to be common for all Parties. There is a need to ensure that double counting is avoided even under the current CDM mechanism. The transition to a Low-emission development path and the support for that transition to be provided was specified as the most important.

### **6.2. Transparency of Finance**

Many developing countries want a definition for CC finance to be developed for the new agreement. They expressed a need for clarity, predictability of the finance and linking it to the IPCC findings and how much adaptation is needed. A need for a periodical review of the means of implementation was stated. The GCF should be the key channel for CC finance. Support should be provided for research into indigenous sources of energy for the SIDS.

The major divergence was how much private or public finance will be provided with developing countries wanting clear and prevailing public flows. They are concerned that at the moment there

is double counting and no additionality of the climate finance. Developed countries from their side want to see effectiveness of the utilization of support (USA).

Generally there is a need for an MRV system on support to be strengthened, but for now there is no answer on how.

Additionally developing countries want MRV to be developed for adaptation, technology transfer and capacity building with differentiated MRV for developed and developing countries.

#### **7. Other issues – compliance; response measures; market and non-market**

Under other issues a number of issues were discussed including: stringent compliance regime; need to discuss process, timing of taking the steps to reach the agreement (South Africa) and the legal nature; economic diversification and response measures; Market and non-market mechanisms (Bolivia is against all market based approaches and reminded the meeting of the moratoria they have put on market mechanisms); joint adaptation mitigation mechanism – forest; in June developed countries to announce an increase in ambition and a clear road map for finance with specific targets at the ministerial; loss and damage to be addressed in the new agreement (Panama); form of the agreement to be possibly something short like the Kyoto Protocol and a series of decisions.

## **II. Technical expert meetings (TEM) on Renewable Energy Sources (RES) and Energy Efficiency (EE)**

In Warsaw, the ADP requested the secretariat to organize, under the guidance of the ADP Co-Chairs, technical expert meetings at each of the sessions of the ADP in 2014 to share policies, practices and technologies and address the necessary finance, technology and capacity building, with a special focus on actions with high mitigation potential in order to close the pre 2020 gap. During the March session, technical expert meetings focused on opportunities for action on renewable energy and energy efficiency. Parties and organizations that are active in the respective areas presented and shared good practices and initiatives being undertaken and their potential for broader engagement, as well as information on different sources of support available to developing countries was shared.

**RES:** presentations are at <http://unfccc.int/bodies/awg/items/8112.php>

On 10-12 March, organizations (e.g. IRENA, GEF, GCF, SE4ALL) and Parties presented on scaling up the use and deployment of RES, the removal of barriers in order to close the pre-2020 gap. Large scale deployment of existing RES technology could help with social benefits but there is a lack of affordable upfront cost for developing countries. There is a need to look at supply and demand balance, lack of capacity and stable policy, high transaction costs of small scale solar, as well as solutions – choice of policy depends on national circumstances, economic instruments, feed in tariffs, smart grids, removal of subsidies, etc. Policy options are not sufficient if there are no means to implement. A clear need to support R&D in developing countries was expressed. Innovative financial models are needed.

What the UNFCCC can do for Parties to address barriers: as a result of the TEM process relevant partnerships can initiate implementation of identified policies. NAMA registry could be used. For CTCN, the TEC needs to be engaged to scale up deployment. GCF should receive guidance to support policy and projects, IRENA and SE4ALL to be invited to assist Parties. Signal to investments to be sent. Developing a common platform for sharing experience under UNFCCC is needed for assisting Parties to find information.

**EE:** On 12-13 March, organizations (e.g. IEA, IPEEC, SE4ALL, GEF, EBRD, WB, C40 cities) and Parties presented on policies, practices and technologies on EE and addressed the necessary finance, technology and capacity building, with a special focus on actions with high mitigation potential. Presentations are at: <http://unfccc.int/bodies/awg/items/8113.php>

There is a very good understanding on practices, challenges and the way forward for future work on energy efficiency. However there is a need to have strong political will with close coordination between ministries, national and local governments and the private sector. For EE strategy and action plans, many feasible technologies were identified, but some challenges could be addressed by the international community with financial, technology and capacity building support. Mandatory standards for buildings, vehicles and appliances, and fiscal incentives can help, as well as awareness rising and labelling. Some of the barriers are a low profile in the national policy, lack of capacity to implement policy, lack of financial incentive, and no access to finance.

The suggested way forward is to continue the dialogue, with the expectation that as a result of TEMs, Parties will be able to initiate national actions. Organizations such as the IEA should be involved. Use should be made of the NAMA registry to be linked to specific financial mechanisms. It was decided that UNFCCC will serve as a platform for further dialogue and success stories to be leveraged. The need for TEC and GCF to help and to be invited intersessionally to report on this was expressed. The UNFCCC Secretariat to involve cities and implementing agencies to update the technical paper and prepare a short version for policy makers. There should also be a move to more specific policy options in the next TEMs. TEMs should become a multi-stakeholders process and as a result of TEMs, Parties should see new opportunities which could raise pre 2020 ambition. Some proposals made: One additional day in June for RES and EE; a technical paper (TP) and a summary for policy makers to be produced; submissions by Parties; report for the ministers in June; to bring investors from the private sector. A need for GCF to be involved in financing technology was expressed.

### **III. Briefing on voluntary cancellation of certified emission reductions as a means of closing the pre-2020 ambition gap**

Briefing by the CDM board on the voluntary cancellation of CERs: How the CDM can help close the emissions gap took place on 13 March and the presentation is at <http://unfccc.int/bodies/awg/items/8115.php>. As currently there is not sufficient demand for CERs, in Warsaw it was decided to encourage the voluntary purchase and cancellation of CERs. At the moment there is a sufficient supply of CERs at a low price and if voluntarily cancelled these CERs could close the global emissions gap by 19% to 39%. The technical systems for this are already in place: established registration and issuance processes, MRV of effort, registry/tracking, and measures to avoid double counting. All the governments, organisations, and people have unrestricted access and a special website exists for reporting - <http://cdm.unfccc.int/Registry/index.html>