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# **TECHNICAL PAPER<sup>1</sup>**

## ***United Nations Climate Change Sessions***

***(SB 40 and ADP 2.5)***

***Bonn, 04-15 June 2014***

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***Bratislava, Slovakia, June 2014***

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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 June 2014 session consisted of meetings of the subsidiary bodies (SB 40) and the 2.5 meeting of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). It took place in Bonn from 4 to 15 June 2014 where countries advanced on the implementation of agreed instruments and on the understanding of the elements for 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 negotiations received political support through two high-level meetings which took place: High-level Ministerial Dialogue on the Durban Platform for Enhanced Action (ADP) and a High-level Ministerial Round Table on Increased Ambition of Kyoto Protocol Commitments. 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.

At this ADP session all Parties expressed the view that it contributed to progress towards the process of clarifying positions and subsequently drafting a text for the post 2020 agreement. Other positive news were that the Green Climate Fund announced that it would begin its resource mobilization phase at the end of June; President Obama's new regulations on greenhouse gases launched needed climate action in the US; agreement between the UK and China to work together to build consensus on international action to deal with climate change in time for next year's conference in Paris; China's ratification of the Doha amendment of the Kyoto protocol; and expectations that the Secretary-General's Climate Change Summit to be held in New York in September will boost the process. The Bonn session and the upcoming COP 20/CMP 10 in Lima are key milestones to turn this momentum into a draft negotiating text for the 2015 agreement. However, according to IPCC Working Group III, despite climate change policies, greenhouse gas (GHG) emissions grew more quickly between 2000 and 2010 than in each of the previous three decades, driving the impacts on health, agriculture, land and oceans, water and peoples' livelihoods as detailed by IPCC Working Group II.

### **1. Future Meetings**

To support the process toward global agreement there will be a number of meetings by the end of the year, 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, on 5-6 June there was a high level segment that supported efforts in rising ambition under the Kyoto Protocol and the Durban Platform. A number of technical meetings were organised during the official sessions of the negotiations to identify ways of raising the ambition as well. In Bonn in June 2014 these focused on urban environment and land use.
- National Adaptation Plan (NAP) Expo: 8-9 August 2014, Bonn, Germany.
- Additional ADP 2.6 meeting 20-25 October 2014 in Bonn, Germany.
- Pre-COP Ministerial Meeting for COP 20/CMP 10: 15-18 July 2014 Caracas, Venezuela, with the following topics: the role of local governments in climate change; how to engage local governments and citizens on the ground; and how local actions can be an integral part of the global agenda.
- The high-level segment of COP 20 and CMP 10 will be from 9-12 December 2014.

## **2. Some details of the June session**

### **2.1. Durban Platform for Enhanced Action (ADP)**

The negotiations were organised in the form of a contact group.

The main goals for this ADP session were to:

1. Continue discussions in order to facilitate Parties' domestic preparations for their intended nationally determined contributions (INDCs);
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. To support this a High-level Ministerial Dialogue on the Durban Platform for Enhanced Action was held on 6 June 2014. The main objectives of the High-level Ministerial Dialogue was to motivate Parties to implement current pledges and to encourage new ambitious pledges while unlocking untapped mitigation potential for the period up to 2020 in accordance with the findings of the IPCC Fifth Assessment Report (AR5). The Dialogue built confidence and momentum behind the process of preparations of fair and ambitious nationally determined contributions (NDCs) by all Parties;

3. Unlock opportunities for raising pre-2020 ambition, focusing on the practical aspects, supported by work under a High-level Ministerial Round Table on Increased Ambition of Kyoto Protocol Commitments and Technical Expert Meetings (TEMs).

#### **2. 1.1. Intended Nationally Determined Contributions (INDCs)**

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 (INDCs) 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.

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 Small Island Developing States (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 - 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.

Many stressed that INDCs should be guided by the principles amongst others of: common but differentiated responsibilities and respective capabilities (CBDR&RC), equity, no backsliding (downgrading mitigation commitments, or withdrawing) and no additional or unfair burdens on most vulnerable countries.

There were discussions on the **process**: on the basis of which text to start negotiations: the draft text of the co-chairs on INDCs, the CRP.1 paper presented by the like-minded developing countries (LMDC), a compilation of all submissions and statements, or a new text prepared by the co-chairs. The chairs were asked to prepare a bullet point paper capturing the discussions.

A clear need for support to be provided for INDCs development to the developing countries was stated (GEF announced readiness to support as part of National Communications and Biannual Update Reports (BURs).

Strong Divergences on:

- What exactly to include in the information under the INDCs is still very divergent. All developed countries (supported by Caribbean countries) want to include only mitigation, while the others want to include all the elements: adaptation, finance, technology transfer, capacity building and even transparency (MRV).
- Although all agree that the INDCs should be submitted in the first quarter of 2015 (those in a position to do so, but for Annex I definitely) and for this a decision is needed in Lima, still the sequence and timing of compiling, reviewing (ex-ante assessment and ex-post review) and their convergence into commitments remains unclear.

It is very important for the countries from the region to start early their preparations for the INDCs, either through GEF 6, or any other bilateral support or national resources. .

## **2.1.2. Elaborating the elements of the 2015 agreement**

### **2.1.2.1.High-level Ministerial Dialogue on the Durban Platform for Enhanced Action**

The process under the ADP aims at developing a protocol, another legal instrument or an agreed outcome with legal force that would be adopted at COP 21 in Paris, France, in 2015 and would come into effect and be implemented from 2020. Also an ADP task is to raise the level of ambition in accordance with the science – the IPCC Fifth Assessment Report (AR5).

The main objectives of the High-level Ministerial Dialogue was to motivate Parties to implement current pledges and to encourage new ambitious pledges while unlocking untapped mitigation potential for the period up to 2020 in accordance with the findings of AR5. The Dialogue built confidence and momentum behind the process of preparations of fair and ambitious intended nationally determined contributions (INDCs) by all Parties.

The main problem currently is the significant gap between the aggregate global mitigation pledges by 2020 and holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels. That is why it is important to enhance ambition in the pre-2020 period and provide new ambitious pledges for the post 2020 period. In this context, developed countries have to increase technology, finance and capacity-building support to enable an increase in the mitigation ambition of developing countries.

On the road to COP 20, many emphasized the need to deliver political guidance for success in Paris and Lima. Many made the link to the UNSG summit and its importance for the ADP process.

At the same time there is a need to work in a more formal and urgent manner to elaborate elements for a draft negotiating text before Lima.

Turkey made a statement that the agreement must be applicable to all, leaving the types and timing of commitments to Parties' discretion.

One important political message from the dialogue was the need to fully decarbonize the global economy by 2050 and to incorporate it in the new agreement.

#### **2.1.2.2. Contact group on the 2015 agreement elements**

The contact group further elaborated the elements for a draft negotiating text, building on previous work of the ADP, including: mitigation, adaptation, finance, technology development and transfer, capacity-building, transparency of action and support. A very useful document capturing the views of the Parties so far, prepared under the responsibility of the two co-chairs is the so called “landscape of issues identified by Parties” annexed to this report (Annex 1).

There was a discussion on process: to draft a negotiation text for the whole agreement or only its elements (mitigation, adaptation, finance, technology transfer, capacity building and

transparency) and to start working in spinoff groups drafting each element. At this stage the negotiations were more in a form of clarifying positions, rather than drafting a text, and the co-chairs were mandated to capture the discussions in a bullet point manner by 15 July 2014.

Many stressed the link between INDCs and the elements of the new agreement, as INDCs should serve as a basis for the elements. Links between mitigation ambition, subsequent adaptation loss and damage were made as well.

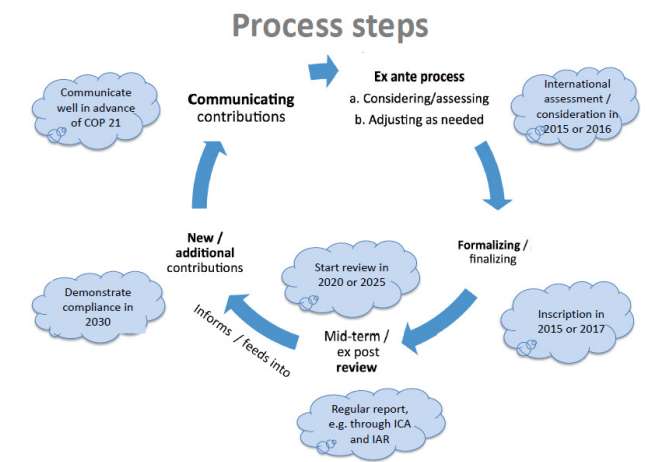
### ***Mitigation***

At the moment discussions on post 2020 mitigation is focusing mainly on the INDCs. At the last UN climate change conference countries agreed to initiate or intensify domestic preparations for the INDCs 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. In the contact group 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. There were discussions about developing countries presenting their national mitigation efforts first or only after knowing how much support they will get (basically should be both – nationally implemented and with international support). As well a process was discussed (ex-ante – before 2015 and ex post in 2016/2017) of assessment of the INDCs to see if they meet the global goal of 2 degree C and to adjust if needed. It was proposed that INDCs are not a standalone exercise but rather an ongoing process. The biggest divergence was still about what to include in the information to be provided: only mitigation (developed countries) or all the elements of the agreement – adaptation, finance, technology transfer and even capacity building and transparency. The co-chairs provided a draft text, which included all the elements. However, it was not accepted by the majority of the developing countries and especially the group of like-minded developing countries (LMDC), who insisted the work on the text to be based on their draft text provided. The text however sticks to the existing Annexes and division between developed and developing countries and thus defining the contributions.



The INDCs will have to be transparent and comparable, so there is a need for guidance on the information to be provided (templates even, some provided by New Zealand).

The co-chairs provided a scheme for the INDCs process, based on countries' submissions as follows:



## ***Adaptation***

The discussion was around a global goal for adaptation, commitments and institutions. Adaptation will be a core element of the future agreement. However, at this stage it will be difficult to develop a detailed global goal, but rather to formulate one based on the relevant paragraphs in the Convention. Some proposals were made around climate resilience and capacity to adapt.

Many developing countries expressed concerns that financing adaptation is not sufficient as the existing funds are empty (LDCF, AP, SCCF and GCF). The GCF should become a main source of adaptation finance.

Generally Parties were in agreement that existing institutions on adaptation should be used for the new agreement and strengthened. A NAP registry was proposed to mirror the NAMA registry (the idea had general support).

Developing countries called for the new agreement to include also the new mechanism of loss and damage and to look at it as a result of different mitigation scenarios, 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.

### ***Finance***

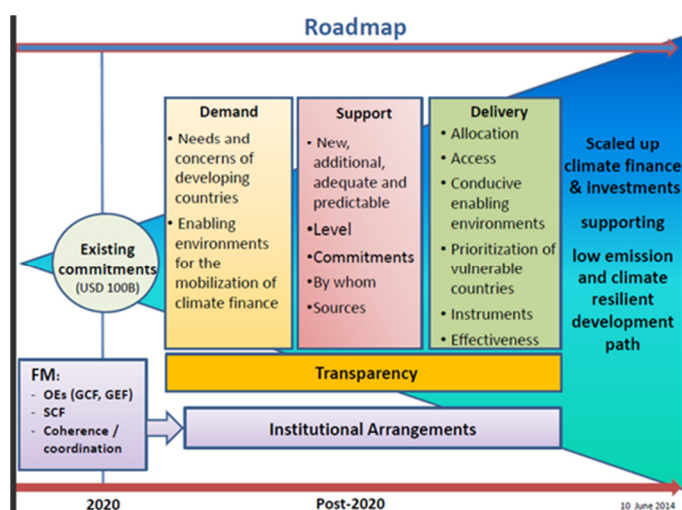
The discussion on Long-Term Finance (LTF) includes three key activities for 2014 – 2020, including discussions on the biennial submissions by developed countries on their updated approaches and strategies for scaling-up climate finance, continued deliberations on LTF through in-session workshops, and biennial high-level ministerial dialogues on climate finance. In particular, many countries urged for scaled-up ambition and transparency of climate finance, as well as taking stock of lessons learned from Fast Start Finance (2009 – 2012) and readiness activities to help inform the discussions. As the COP President, the Government of Peru, announced that it will be hosting a “Climate Finance Week” in August to gather together finance negotiators and practitioners to promote a common understanding of climate finance before COP 20/CMP 10.

The recent good news about the Green Climate Fund (GCF) Board agreeing on eight essential design elements and thus beginning the resource mobilization phase was welcome at the UNFCCC negotiations. The fund will begin fundraising in Oslo at the end of June with the aim of countries announcing their pledges at the Secretary-General's Summit in September. However, progress on the capitalization of the GCF has been slow, with few developed countries signaling that they will make pledges in this timeframe. Many developing countries called for pledges of USD \$8 - \$15 billion for the GCF but this seems unlikely by COP 20/CMP 10 in Lima.

There was a convergence among parties that the financial mechanism of the Convention could serve the 2015 agreement in the context of strengthening institutional arrangements. However, there were differences among Parties on finance commitments by developed countries (amount of pledges, timing, public or private sources of finance, sustainable and predictable long-term finance).

China, with India, proposed attachments to the agreement on developed countries' mitigation commitments, developing countries' enhanced mitigation actions and developed countries' MOI contributions, including finance targets and roadmaps.

The co-chairs presented a roadmap for scaling up post-2020 climate finance, outlining dimensions based on Parties' views, including demand, support, delivery and transparency as follows:



### ***Technology Transfer***

On technology, ADP Co-Chairs provided Parties with facilitative points for the discussion on institutional arrangements, cooperation and coordination.

There is a common understanding that technology is a key element of low-carbon pathways and has links to finance mechanisms. LMDCs emphasized enhanced action on technology transfer and operational modalities, stressed the need for political will for large-scale global coordination to move towards sustainable production and consumption patterns, identified three elements in the 2015 agreement on technology: developing quantifiable, comparable and transparent plans by developed countries to support technology development and transfer to developing countries; developing or strengthening endogenous technologies, with support from developed countries; and establishing global research and development processes. Many developing countries called for a dedicated technology window in the GCF.

There is a need for the developing countries to update their Technical Needs assessments (TNAs) with the support of developed countries, and implement appropriate structures and policies to encourage effective technology transfer.

On institutions, the majority expressed the view that the TEC and CTCN are a good basis to be included in the new agreement as the technology mechanism. Some proposed incorporating the Poznan Strategic Programme on Technology Transfer into the new agreement.

However, Japan called for enhancing the Technology Mechanism's institutions through COP decisions, rather than in the 2015 agreement.

### ***Capacity Building***

On capacity building, many outlined existing capacity-building processes under the UNFCCC. The group of the LMDCs suggested capacity building must focus on human skills, national institution building and development of endogenous technology. Many developed countries asked for a more formal and structured approach to allow countries to plan and implement measures and enhancement of the Durban Forum on Capacity Building through an action-oriented process, while the international community provides assistance. Some called for the establishment of an international mechanism for capacity building to be funded by the GCF and

linked to the work of the TEC as well as a capacity-building committee under the new agreement to monitor and review the effectiveness of such activities. While developed countries were one on a position that the existing arrangements on capacity building are functioning well and could be strengthened based on the principles of durability and flexibility and that establishing new institutions may not improve implementation by the many existing institutions with capacity-building mandates.

The Capacity building Portal at the UNFCCC opened on 10 June 2014. The UNFCCC Secretariat has to collect, process, compile and disseminate, in both printed and electronic formats, the information needed to review the progress in the implementation of the framework for capacity-building in developing countries. Synthesis reports are published every year to provide an overview of the implementation of this framework. They are made available to the Subsidiary Body for Implementation (SBI), the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to enable them to monitor and review the progress on the implementation of the framework. Such reports contain, inter alia, information provided by UN agencies and the GEF on their respective capacity-building activities. This information serves as the initial dataset for the current version of the Portal. More information can be found at: [https://unfccc.int/cooperation\\_and\\_support/capacity\\_building/items/7204.php](https://unfccc.int/cooperation_and_support/capacity_building/items/7204.php)

### ***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.

### **Transparency of actions (Mitigation)**

Many parties identified transparency as a critical element of the 2015 agreement, both for trust building and ensuring environmental integrity. They also called for a strong transparency regime and highlighted building on existing institutions and reporting and accounting mechanisms under the Convention and the Kyoto Protocol.

There was 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 (INDCs) 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.

### **Transparency of support (Finance)**

Many developing countries want a definition for climate change 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 climate change 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, Japan).

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.

### **2.2.3. Legal form of the agreement**

Some discussions took place on the legal form of the new agreement and request for a legal group to be established started. On the legal form, China urged focus on the agreement's substantive content before legal form. Many called for a new protocol in Paris, applicable to all Parties and taking into account past, present and future emissions to move towards global

decarbonization. A successful and meaningful agreement should be legally-binding and a continuation of the existing regime. It should contain a global target based on the science, allow for adjustment of ambition and ensure transparency.

## **2. Unlocking opportunities for pre-2020 ambition**

Discussions under Workstream 2 of the ADP work consisted of the status of ratification of the Doha amendment of the Kyoto Protocol (still not sufficient for its entry into force) and Technical Expert Meetings (TEMs).

### **3.1. Technical Expert Meetings (TEMs)**

TEMs 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 2014 session, TEMs focused on opportunities for action on renewable energy and energy efficiency and in June 2014 on urban environment and land use. TEMs format at this session has evolved into “starting points for new action, rather than one-off events”.

#### **3.1.1. Technical Expert Meetings (TEMs) on urban environment and land use**

The TEM on urban environment and the Forum on cities and sub-national authorities was organized in a complementary manner and took place on 10 June 2014. The Forum allowed for the showcasing of specific initiatives, good practices and policy options and focused in more detail on the role of planning in creating an enabling environment for action, while the TEM on urban environment focused on the ways to support, finance and scale up the feasible policy options to ensure sustainable urban development.

Cities drive national economies and account for the lions’ share of energy consumption and 70% of global GHG emissions come from cities. The building sector has great potential to reduce emissions. 80 billion m<sup>2</sup> [of what – buildings, houses?] will be built or renewed in the next 100 years, and of this 53% will be in China and North America. The actions to make buildings carbon neutral should start from the design and planning stage, followed by including renewable energy sources.

The following key speakers participated: on policies and regulations - Mr. Mark Kember, the Climate Group; on transport and spatial planning - Mr. Mark Watts, C40; on built Environment - Mr. Edward Mazria, Architecture2030; and on community involvement and climate resilience - Ms. Vanessa Castan-Broto, 4CPPD.

Plans to make the global building sector carbon neutral by 2055 were presented. A number of cities have plans to go carbon neutral by 2030. More cities have to follow.

Huge mitigation opportunities exist at city and sub-national level and the role of low emission development strategies was stressed. Action by cities is going to become part of the new global post 2020 climate change regime.

Currently UNDP is developing Urban NAMAs and UNDP has a lot of experience working in energy efficiency in buildings through the GEF.

Information on these events, including their programmes, can be found at <https://unfccc.int/bodies/awg/items/8170.php> (TEM on urban environment) and

<https://unfccc.int/bodies/awg/items/8169.php> (Forum on Cities and Subnational authorities).

The TEM on land use was held on 11 June 2014. At this TEM good practice mitigation policies related to land use were discussed and experiences on successful implementation of land use actions with climate benefits were shared. The TEM also explored opportunities for mobilizing finance, technology and capacity-building in efforts to scale up such actions. Additional information on the TEM on land use, including the programme, is available at <https://unfccc.int/bodies/awg/items/8171.php>.

Parties discussed the way forward for the TEMs as the ADP's mandate will expire in 2015 and generally there was an understanding that the TEMs were a useful exchange of experience and need to continue with broadening and deepening up to and may be beyond 2015. There is clear need to continue on topics such as cities and local authorities, buildings, transport, carbon capture and storage (CCS), short live pollutants, carbon prices, overcoming barriers to clean investments, fossil subsidies removal, feed in tariffs, etc. There is a need to engage in particular the TEC and the CTCN, alongside the GCF, WB, C40, ICLEI, FAO especially, in the implementation of some of the opportunities.



Follow ups were proposed: that the COP summarize the outcomes of the TEMs, to have high level events within the TEMs, organizations outside of the UNFCCC process to be invited, update of the technical paper on mitigation by the Secretariat, to prepare tools of best practices.

A Virtual Expo was introduced in March 2014 at the UNFCCC website, through which countries and observer organizations can show their efforts. The application procedure for the ADP Virtual Expo is described here: [https://seors.unfccc.int/seors?session\\_id=ADP2.5VE](https://seors.unfccc.int/seors?session_id=ADP2.5VE).

Parties also discussed during this session: other sectors to be looked at, as well as experience in CCS, short-lived substances, CO<sub>2</sub> price, barriers to overcome, external organizations to be involved and the TEC, CTCN and GCF to engage in implementation.

## **2.1. High-level Ministerial Round Table on Increased Ambition of Kyoto Protocol Commitments - 5 June 2014**

The Doha Amendment to the Kyoto Protocol adopts a second commitment period from 1 January 2013 to 31 December 2020. For this second commitment period the Protocol sets out targets for Annex I Parties that took on commitments, which aim to reduce overall emissions by at least 18 per cent below the 1990 levels. The Doha Amendment has been ratified by ten Parties so far from the needed 144 for its entry into force. It is important that the ratification process advances rapidly in order to expedite the entry into force of the amendment. Many countries announced that their national procedures had been initiated (EU, Norway and others).

The high-level ministerial round table provided an opportunity for ministers to take stock of progress made in the implementation of the second commitment period and to discuss how to increase the ambition of emission reductions for that period. There were discussions on how lessons learned in implementing the Protocol can positively influence the level of mitigation ambition, including for the negotiations under the ADP.

The UNFCCC Secretariat presented a table based on the submission of some Annex I Parties (EU, Australia, Lichtenstein, Norway), which overachieved their first commitments targets and have plans for reviewing them. However they were still blamed by developing countries that they are not ambitious enough to meet the 2C target. Some examples of national policies to close the mitigation gap from the Parties' statements are given in Annex [ ].

### **3. Some conclusions of the Subsidiary Bodies (SB40)**

#### **4.1. some SBI conclusions**

**National Communications for Annex I:** The SBI recalled the request by the COP5 to Parties to work on the revision of the reporting guidelines on national communications with a view to the COP adopting the revised guidelines at COP 20 (December 2015).

**National Adaptation Plans (NAPs):** Developing country Parties that are not LDCs to be accommodated in the NAP Expo5 and the training workshops on NAPs to be organized by the LEG as part of its work programme for 2014–2015. Submissions by 18 August 2014 with information on gaps and needs related to the NAP process, and on the implementation of NAPs, for consideration at SBI 41 (December 2014). The Secretariat has to prepare a synthesis report on the needs for the implementation of NAPs by SBI 41. NAP Expo to be held in August 2014 to further promote and mobilize actions and support for NAPs at the national level, and encouraged Parties, relevant organizations and practitioners to attend the event.

Secretariat to organize a workshop, back to back with a relevant meeting where possible, with participants to include experts from Parties and relevant organizations, the LEG and the Adaptation Committee, and relevant stakeholders, to share experiences and consider gaps and needs for the formulation and implementation of NAPs, to be held prior to COP20 (December 2014).

#### **4.2. some SBSTA conclusions**

**Design and operation of market-based approaches and non-market-based approaches:** The SBSTA invited Parties and admitted observer organizations to submit to the Secretariat, by 22 September 2014, further information, experience and good practice relevant to the design and operation of market-based approaches and non-market-based approaches, including on approaches developed or being developed by Parties, individually or jointly, so that the SBSTA may consider the design and operation of the framework, without prejudging the use of such approaches under the Convention and its instruments. These submissions should focus on whether and how approaches:

- (a) Meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort, and achieve a net decrease and/or avoidance of greenhouse gas emissions;
- (b) Enable the accounting, at the international level, of mitigation outcomes; Allow for participation, including through possible eligibility criteria;
- (d) Provide co-benefits, including, but not limited to, their contribution to sustainable development, poverty eradication and low-emission climate-resilient development; and
- (e) Have effective institutional arrangements.

## **Annex 1: Annex of the informal note of the ADP co-chairs: Landscape of issues identified by Parties**

### *General*

The 2015 agreement is to:

- o Be under the Convention and guided by its principles and objective
- o Be applicable to all Parties
- o Be durable, flexible and effective
- o Aim for and incentivize universal/broadest possible participation
- o Strengthen the multilateral rules-based regime
- o Respect/not compromise the right to development, as well as the right to survival
- o Protect the integrity of Mother Earth

### *Equity and ambition*

Equity and ambition are:

- o Of central importance for the agreement and need to be reflected in all the elements, including mitigation, adaptation and means of implementation
- o Closely interlinked:

Equity is an enabler for ambition

Synergy between equity and ambition results in leadership; a win-win solution for sustainable development that benefits not only environmental aspects but also socio-economic aspects

Equity is a central principle and cornerstone of the Convention; all provisions of any agreement to be adopted will have to ensure equity

Equity with regard to global public goods and to opportunities and pathways for developing countries to achieve sustainable development and low-carbon societies:

- o Need to understand socio-economic aspects, taking into account poverty alleviation, adequate access to energy and related issues, in order to determine how current societies and pathways can be reformed

- o Support is also required in the endeavour to achieve low-carbon societies

- o The Gini index shows the status of equity

The agreement must be based on equity and be informed by science:

- o Science and equity underpin the ability of the agreement to deliver an ambitious, fair and effective regime

- o There is a need for robust science; identification of information needs

Parties to increase their level of ambition over time

Closing the ambition gap during the pre-2020 period by developed countries is critical for ambition and equity in the post-2020 period; it is not appropriate to redistribute this task to developing countries

Increasing ambition applies:

- o To mitigation only/primarily

- o To mitigation, adaptation and means of implementation

- o In the context of the 2nd commitment period of the Kyoto Protocol (KP) and the Bali Action Plan

Impacts should be a benchmark for ambition

The consequence/flipside of the ambition issue are adaptation needs

Equity to be operationalized by reflecting the Convention principles in the 2015 outcome

Equity and ambition are to be operationalized in the agreement through a process<sup>11</sup>

### *Differentiation*

Common but differentiated responsibilities and respective capabilities (CBDR-RC):

- o To be applied according to the provisions and annexes of the Convention

- o In the context of historical responsibility and capabilities, taking into account national circumstances
- o Bold action is required from all Parties based on their CBDR-RC
- o To be applied in a dynamic way; all Parties to participate over time in accordance with their evolving responsibilities and capabilities
- o A binary approach is untenable in the light of shifts in countries' emissions and economic profiles; it might place a ceiling on what Parties could do

#### Capabilities:

- o Current capacity and responsibilities are important
- o Different levels of capacity and resources are to be considered
- o Capabilities evolve over time

#### Leadership:

- o To be taken by developed countries, due to their historical emissions and the wide gap of per capita emissions/due to their capacity and historical responsibility
- o To be global
- o To be taken by those with greatest responsibility and highest capacity

### **Mitigation**

#### *General*

Participation in mitigation efforts needs to be global/broad to address the scale of the challenge

Mitigation efforts need to be based on the principles and provisions of the Convention

The agreement needs to incentivize all Parties to fully realize/maximize their mitigation potential and encourage low-carbon development

Long-term and collective aspects of mitigation

Collective mitigation efforts should be adequate for staying under 2/1.5 °C of global warming and should combine near-term quantified commitments/contributions with long-term ambition

The 2015 agreement should include a global goal to limit temperature increase to well below 1.5 °C

Anchoring the 2 °C long-term global goal in the agreement to increase its status and to use it for future reviews of the adequacy of countries' obligations under the agreement

A long-term mitigation goal for 2050 should be in line with the pathway to 2 °C based on most recent science

Identify a global goal for 2025

Developed countries to identify zero emissions pathways and define a 2050 carbon neutrality goal

Substantial emission reductions are needed to stay under 2 °C, with negative emissions after 2080; financial and technology support is required

Use the Brazilian proposal to look at the global temperature goal in terms of the principles and provisions of the Convention

### *Commitments*

Mitigation commitments could be expressed through a spectrum of efforts, a range or set of options reflecting national circumstances, capacities and historical responsibilities, including:

- o Absolute economy-wide emission reduction targets/commitments for developed countries
- o Absolute economy-wide emission reduction targets/commitments for major economies
- o A set of enhanced actions/nationally appropriate mitigation actions (NAMAs), including: reductions below 'business as usual'; intensity targets; sectoral initiatives; low-emission development strategies and policies and measures for developing countries
- o REDD-plus actions
- o Appropriate actions for the least developed countries (LDCs) and small island developing States (SIDS)

- o Economic diversification plans with mitigation co-benefits

Mitigation commitments to be differentiated:

- o In accordance with Article 4 of the Convention, with the implementation of Article 4, paragraph 1, as a common responsibility and:

Enhanced mitigation commitments by developed countries under Article 4, paragraph 2

Enhanced mitigation actions by developing countries subject to, enabled and supported by finance and technology by Parties included in Annex II to the Convention (Annex II Parties) under Article 4, paragraphs 3, 5 and 7

- o By categories of countries for developed countries; emerging economies; middle-income countries; and most vulnerable countries, based on agreed criteria
- o To foster ambition for all Parties and avoid backtracking

All Parties need to take mitigation actions and some Parties require support to do so

- o By types of contributions

- o Across a broad range of all Parties based on a number of factors, including circumstances, level of development, mitigation opportunities, capabilities, etc.

Mitigation commitments are to:

- o Address 100 per cent of global emissions
- o Be quantified or at least quantifiable

Atonne of carbon provides the best metric to quantify mitigation commitments

- o For LDCs and SIDS, be qualitative, with quantified ones to be submitted at a later stage
- o For Annex I Parties, be comparable and be undertaken domestically so that developing countries do not undertake mitigation on their behalf
- o For non-Annex I Parties be determined nationally or should also manifest as adaptation co-benefits



- o Be based on science-based quantification of historical contributions to global temperature rise; historical emissions are a central consideration

- o Take into account past actions, including those of Parties with economies in transition (EITs)

Need for a rules-based system, to be arrived at through an iterative process, including rules and provisions on:

- o Common accounting metrics

- o Prevention of double counting

- o Methodologies, including in relation to base year, global warming potential (GWP), sectors and gases

- o Use of markets

- o Accounting for emissions and removals from the land-use sector

- o Based on the KP and the Bali Action Plan

The same commitment period to apply to all, with a length of:

- o 10 years with a mid-term review after 5 years

- o 5-year cycles, with the Intergovernmental Panel on Climate Change (IPCC) process being synchronized

- o Common short-term time frames for countries using markets

Need to allow for bounded flexibility in the application of rules

Institutional arrangements, cooperation and coordination

Incentive mechanisms:

- o Use of economic instruments, such as carbon markets or carbon taxes, will help to reach the 2/1.5 °C goal

- o Purpose is to facilitate mitigation commitments and not to channel support

- o Non-market systems include:

A joint mitigation and adaptation mechanism for integrated management of forests, financed through the Green Climate Fund (GCF)

A global feed-in tariff system via a dedicated window in the GCF

Product labelling and sustainably managed forest products

Strict technology standards and requirements for community-based implementation

o Market mechanisms:

Common accounting rules for use of markets are required

Mechanisms need international oversight

Existing mechanisms should be incorporated into the agreement, but after being reviewed

Mechanisms should:

Not be limited to offsetting

Generate revenue for adaptation

Be designed to allow access for all Parties

No role for market-based systems; the Convention is a non-market approach

Response measures/socio-economic context:

o Build on existing arrangements and in the context of Article 3, paragraph 5, of the Convention

o Response measures to be considered through support and non-market approaches

o Need to prevent unilateral measures

## **Adaptation**

### *General*

Adaptation is a country-driven process

Addressing adaptation is a matter of collective responsibility, even if adaptation action is taken at the local level

The agreement to define a framework of overarching provisions which would help to accelerate the implementation of adaptation

Links with mitigation:

- o Mitigation and adaptation are mutually supportive; developing countries depend on support for adaptation in order to engage in mitigation activities
- o All efforts made to anticipate, prevent or minimize the causes of climate change through early mitigation increase the likelihood that adaptation efforts will be successful and that ecosystems can adapt naturally in a timely manner
- o Look at win-win situations and trade-offs between mitigation and adaptation; such co-benefits could increase the overall level of ambition
- o Mitigation and adaptation to be institutionally linked

Ambitious domestic climate policies, strategies and frameworks will stimulate both action and support

Long-term and collective aspects of adaptation

Aggregating climate impacts at the national, regional or global levels to estimate adaptation costs is possible

Develop a global goal for adaptation based on the level of mitigation which would determine the level of means of implementation required to meet the costs of impacts under different temperature scenarios (in line with Article 4 obligations of developed country Parties)

Costs and respective support needs could be identified through national adaptation plans (NAPs)

The process of allocating costs and defining them ex ante is difficult and the operationalization and utility of it for enhancing action on the ground is questionable

An alternative and simple goal for adaptation could be reflected in the common commitment of all Parties to ensure resilience to the adverse effects of climate change by integrating adaptation into their policies and programmes

Anchoring the long-term global goal of 2 °C in the agreement, building on the guiding force of the existing objective of the Convention

## Commitments

The 2015 agreement to re-emphasize the commitment of all Parties to work towards climate-resilient development, and to cooperate

Individual commitments by Parties include adaptation; commitments related to adaptation should be in the form of NAPs

Institutional arrangements, cooperation and coordination

Existing institutional arrangements:

- o Existing institutional architecture should be anchored explicitly in the agreement
- o Ad-hoc multilateral arrangements such as the Cancun Adaptation Framework to be effectively articulated within the 2015 agreement, by establishing a functional link between the two
- o It is more important to ensure the implementation of existing arrangements for adaptation through sufficient support than to anchor new adaptation provisions in the legally binding agreement
- o NAPs provide the essential basis for all countries to assess vulnerabilities, identify adaptation options and define responses:

The agreement to ensure that the process to formulate and implement NAPs is being undertaken in all interested developing countries

- o Monitoring and evaluation as well as reporting on adaptation and learning from plans, policies and programmes (e.g. through national communications (NCs)) to be strengthened and/or institutionalized:

The agreement could provide the authority to the Conference of the Parties (COP) to adopt further guidance on such reporting and further facilitate sharing of progress and experiences in preparing and implementing adaptation actions

- o Support the synthesis and sharing of information, knowledge and lessons learned about good adaptation practices

- o Address the gap in the implementation of adaptation

New institutional arrangements:

- o A registry to record national adaptation actions/programmes, seeking:

To enhance international cooperation for finance, technology and capacity-building support for such adaptation actions and programmes and/or

To monitor and identify progress and gaps in adaptation from a global perspective

- o An adaptation assessment framework:

to enhance the evidence base for assessing and quantifying Parties' levels of vulnerability and exposure, adaptation options and the costs of adaptation actions,

with a view to identifying the most cost-effective, 'no regrets' or win-win alternatives

Cooperation and stakeholder engagement:

- o Enhance cooperation among Parties and stakeholder engagement; options to involve the private sector to be better understood and assessed and barriers to be reduced

- o More attention should be directed to subnational, regional and cross-border activities and cooperation

### *Loss and damage*

The new agreement should include provisions for loss and damage for cases where mitigation and adaptation will not be sufficient

The Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts:

- o Should be developed under the process established in Warsaw

- o Should be anchored in the agreement

Finance, technology and capacity-building

General

Provision of support to:

- o Be effective and predictable for developing countries in the medium and long term; the agreement to provide all that is required for a transformation at scale in the way in which both public and private investments are made
- o Be organized in a coordinated, holistic and coherent manner based on programmatic system-wide approaches
- o Build on lessons learned, existing mechanisms under the Convention and best practices from other processes
- o Promote country ownership
- o Attribute a greater role to national and subnational entities
- o Be considered within the broader package

Finance, technology and capacity-building – as all elements of decision 1/CP.17 – are to be treated independently and equally, also in terms of legal bindingness

Need to define the relationship between the compliance mechanism and support

Adequate access to support in the pre-2020 period is important; pre-2020 implementation is essential for confidence-building

#### Commitments

Implementation of the provision of finance, technology and capacity-building to be enhanced in accordance with Article 4 of the Convention:

- o Only Annex II/developed country Parties have commitments to provide support, due to historical responsibilities, equity and CBDR-RC

All Parties in a position to do so to have commitments to provide support, based on:

- o Today's capacity
- o The polluter pays principle
- o Historical responsibility, equity and CBDR-RC:

Historical emissions might not be the right basis to determine commitments on provision of means of implementation in an equitable manner

Commitments on the provision of support to include relevant road maps and targets

Means of implementation should be adequately provided to implement the activities identified in paragraph 70 of decision 1/CP.16

*Institutional arrangements, cooperation and coordination*

Further develop/strengthen existing institutional arrangements for support

New agreement to facilitate and enhance coordination among contributors within and outside the Convention

Coordination and cooperation between institutions to be assessed periodically, and amendments made accordingly

Incentive mechanisms:

- o Agreement must put in place the right incentives for ambitious action by all Parties in a position to do so
- o Incentivize and acknowledge front-runners that have already taken action
- o Create incentives for action by the broadest range of stakeholders and mobilize the widest range of potential investments for climate benefits through:

A balanced approach between market and non-market approaches

Exploring how best to mainstream climate into our economies and involve the private sector

Use non-market systems only

**Finance**

*General*

Developing country needs and concerns are central

Gender and LDC issues need to be reflected

Allocation:

- o Balanced allocation between mitigation and adaptation
- o Prioritize adaptation

- o An allocation formula should be in place

Need to address concerns about access:

- o Simplified and improved access, including direct access to finance in the context of country-driven approaches and on the basis of agreed fiduciary standards and environmental safeguards
- o Particularly vulnerable countries will need greater access

Need to ensure that climate finance is effective

### *Commitments*

Clear provision of new, additional, adequate and predictable finance, including clarity on the level of support

Acknowledge the need for adequacy of financial flows mobilized from various sources, public and private, in the context of meaningful mitigation action and transparency of implementation

Provision of support by:

- o Annex II/developed country Parties based on criteria and a burden-sharing mechanism, including reference to historical responsibility
- o Broadening of contributors/all countries in a position to do so, according to CBDR-RC

Form of support:

- o Financial support to be without conditions, i.e. as grants
- o Will vary widely by country and sector, including grants, concessional loans, non-concessional loans, risk mitigation instruments, technical assistance, and other forms

Sources:

- o Financial support coming primarily from public funding, financing from the private sector to be supplementary
- o Need for clarity on the role of public funding, especially for adaptation, as well as the contributions of the various sources (public, private and others)
- o Specific sources, especially public ones, need to be identified for adaptation



Engagement of diverse resources, including the private sector, should be encouraged in order to provide sustainable financial support for adaptation

o Both public and private finance efforts will play a role post 2020:

Public climate finance support continues to play an important role, including for adaptation

Public financing could leverage private finance and other sources but should remain the primary vehicle

Need for financial provisions to be able to adapt to future changing environmental and economic realities

Need for greater diversity of finance tools, channels and instruments, also in the light of their evolving nature, and innovative sources

Need to capture the cooperative dimension of climate finance

Important to send a signal on catalysing private finance; central to address how to mobilize/incentivize the private sector:

Acknowledge the role of public interventions for mobilizing private investment through efficient use of public resources and effective public policies

Further enhance the mobilization of climate finance; should be used to shift development towards a low-emission climate-resilient path

Mechanism to attract the private sector to invest in projects

National responsibility of all countries to mobilize and invest in climate-friendly actions at the national and subnational levels:

o Importance of mainstreaming climate change in investments

o Acknowledge the relevance of climate-friendly private investments

Importance of enabling environments:

o Commitment by all Parties to prepare for efficient and effective investment environments stimulating the mobilization of private and public climate finance

o Barriers to private-sector investment in adaptation need to be reduced

- o Should be supported and strengthened in developing countries, including access of REDD-plus credits to international markets and other potential sources of finance

Nature of financial commitments:

- o Is to be legally binding
- o Is political

Specifics of commitments:

- o Concrete annual levels of public funding by Annex II Parties:

With USD 100 billion as floor and leading to enhanced commitments for post 2020; USD 100 billion is not enough, especially if loss and damage is also included

Commensurate with the climate financing needs of non-Annex I Parties, and have an increasing trend over time

An ex ante process committed to quantified support commensurate with the required effort reflected in the adaptation and mitigation goals

- o The agreement should include:

A goal for climate finance that reflects the 2 °C goal

A concrete road map, target, timelines and sources, or pathways for finance, to be included in an attachment to the agreement

Assessed contributions, but also mandatory commitments

Provision of finance to EITs

A request to strengthen the existing provision of climate finance and enhance it significantly to achieve the maximum level of ambition possible

A provision to enhance the implementation by Annex II Parties of their commitments to provide financing to address the impacts on developing countries of the implementation of response measures

A specific commitment to provide support for financing and operationalization of the Warsaw International Mechanism for Loss and Damage

An explicit commitment by developed countries to the realization of the USD 100 billion goal

- o Process for finance is not necessarily the same as for mitigation: no quantified commitments for the post-2020 period on climate finance

- o Funding to be provided to the GCF:

Developed countries to provide 1 per cent of their gross domestic product (GDP) per year from 2020 to the GCF

Annex II Parties to provide a list of specific amounts to be provided to the GCF subject to review

Annex II Parties to provide a list with percentages reflecting required share of climate financing to be provided to the GCF, with the total amount to be based on financing needs

- o A mechanism for the full implementation of REDD-plus activities supported with adequate, additional and predictable finance from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources such as market-based mechanisms, to contribute to the scaling-up of REDD-plus actions and finance and to secure long-term sustained effort

Pre-2020 finance:

- o Specific annual targets shall be achieved: USD 40 billion for 2014, USD 50 billion for 2015, USD 60 billion for 2016, USD 70 billion for 2017, USD 80 billion for 2018, USD 90 billion for 2019 and USD 100 billion for 2020; Annex II Parties to provide clarity and a defined pathway for public climate financing with specific targets, timelines and sources (decision 3/CP.19) to be made operational; and a clear aggregate public climate financing commitment by Annex II Parties of USD 70 billion per year by 2016 rising to USD 100 billion per year by 2020 as floor

- o Pre-2020 implementation as confidence builder; by 2015, the financial mechanism (FM) must be made more robust; urgent need to reach an agreement that provides appropriate, transparent and predictable funding in the pre-2020 time frame

- o Public and private finance efforts are ongoing and will have an impact through to 2020 and beyond

Institutional arrangements, cooperation and coordination

Continue to further develop, build on and strengthen existing climate finance institutions and processes, within and outside the Convention:

- o Strengthen and anchor existing institutions
- o Consider how to anchor new and existing elements of climate finance
- o Establish a relationship with existing institutions and mechanisms
- o Expect arrangements for climate finance support to grow and strengthen beyond 2020

Need for regulation to govern private financing

Reform the governance of climate finance to maximize adaptation and mitigation benefits in developing countries

Role of the FM:

- o The FM of the Convention to serve as the FM of the 2015 agreement
- o Financial commitments to be channelled through the operating entities (OEs) of the FM
- o The GCF as the main entity of the FM, core vehicle for climate finance up to and beyond 2020, and linked to contributions; transparency on priorities for financing and distribution of finance of the GCF needed
- o The FM to be made more robust
- o The FM and replenishment for OEs should be linked to IPCC scientific assessment
- o The COP to be provided with the authority to adopt any further guidance to the OEs following the implementation of the agreement
- o Set up a new financial mechanism

Institutional arrangements governing REDD-plus assisting developing country Parties in receiving adequate and predictable financial support for all phases, and coordinating and providing guidance to all existing REDD-plus finance related activities within and outside the Convention

## **Technology development and transfer**

## *General*

Enhance technology development and transfer to support action on both adaptation and mitigation

All Parties to enhance cooperation in order to promote technology development and transfer and know-how

## *Commitments*

Commitments on technology development and transfer, consistent with the relevant provisions of the Convention and linked to a measurable, reportable and verifiable (MRV) system

A platform for commitments in the agreement, with ex ante commitments on technology development and transfer, addressing:

- o Financial support for technology development and transfer
- o Domestic policy commitments by Annex II Parties, covering property rights, through licences and agreement, using existing institutions
- o Delivering on commitments

Provide support on research, development, demonstration and deployment, including on endogenous technologies, and support to build and strengthen endogenous capacities in countries

Institutional arrangements, cooperation and coordination

No need to create new institutions and rather build on and strengthen existing ones

Technology Mechanism:

- o Anchor the Technology Mechanism (Technology Executive Committee (TEC) and Climate Technology Centre and Network (CTCN)) in the agreement and strengthen it by:

Ensuring predictable and sustainable funding – both the private and the public sector are important in mobilizing finance for technology

Providing space for the private sector in the Technology Mechanism given its importance in technology development and transfer

Providing for assessments of the effectiveness of the Technology Mechanism

Emphasizing the expert role of the TEC and the implementation role of the CTCN

Linking policy recommendation with action on the ground by sharing best practices

Demonstrating greater flexibility to respond to the needs of all Parties

Enhance collaboration/synergy/linkage between the Technology Mechanism and other institutional arrangements under the Convention, in particular the financial mechanism

Enabling environments and barriers:

- o Need to address/remove barriers to technology development and transfer, including those related to small markets/countries and national circumstances

- o Address financial barriers, e.g., through a funding window for technology in the financial mechanism

- o Create enabling environments in recipient countries, including the necessary regulatory framework, institutions and capacity, to attract investments in technology

- o Address intellectual property rights (IPR) by:

Establishing a facilitative regime or an international mechanism on IPR

Creating a dedicated funding window under the GCF and/or the financial mechanism

Having a conversation on how to address IPR, including a workshop

- o IPR protection is an enabling environment, not a barrier. It is:

Needed for innovation

Being addressed:

Through numerous discussions in the TEC

By the competent international organizations (World Intellectual Property Organization and World Trade Organization)

- o Find ways to facilitate access to and deployment of technology while promoting innovation

Technology needs assessments (TNAs):

- o Have provisions or a process to ensure the implementation of outcomes of TNAs and technology action plans
- o TNAs could be linked with NAMAs and NAPs

## **Capacity-building**

### *General*

Capacity-building to be:

- o Featured prominently as a separate chapter in the 2015 agreement
- o Mainstreamed in all aspects of the 2015 agreement

Clear, predictable, effective, demand-driven, sustainable and long-term support for capacity-building, responding to national needs and fostering country ownership, is key to the 2015 agreement

Capacity-building support to:

- o Follow a gender-sensitive approach
- o Be guided by the findings and outcomes of the Durban Forum on capacity-building
- o Ensure development of climate policies, mobilization of private-sector capital and public engagement
- o Identify, design and implement adaptation and mitigation actions
- o Enable domestic development and absorption of technologies

Need for public awareness and education, strengthening of domestic institutions and creation of enabling environments to support Parties in taking effective climate action

Need to build capacity at the national, subnational and local levels, create multiplier effects and engage the private sector and other stakeholders

### **Commitments**

Clear and predictable targets and outcomes for capacity-building

Specific and quantified commitments by Annex II Parties to provide adequate, predictable and sustainable financing for capacity-building through a dedicated window under the GCF

Institutional arrangements, cooperation and coordination

Establish:

- o An international capacity-building mechanism, linked to technology and adaptation institutions, funded by the GCF:

To enhance the provision of skills development and institution building

- o An evaluation mechanism:

To assess the effectiveness of the delivery of capacity-building

- o A capacity-building committee, with clearly defined relationships to other bodies established under the Convention, to be made operational well before 2020:

To ensure that lack of capacity does not become a barrier to implementing the 2015 agreement

- o Regional centres for capacity-building

- o An ad hoc working group on capacity-building:

To discuss what kind of capacity-building is required by developing countries and how it should be delivered

Capacity-building support to be built on, and enhance, existing arrangements, such as the Durban Forum on capacity-building

Bodies established under the Convention to intensify their work relating to capacity-building

Clearly define arrangements for capacity-building and their linkages to other bodies and institutions under the Convention

Importance of the role and potential of the private sector in supporting capacity-building

## **Nationally determined contributions**

*Scope and character of contributions*



The Convention, as well as decisions from Doha and Durban, provide the framework for intended nationally determined contributions

Each Party to assess domestically the best way to contribute based on its capacities and circumstances

Contributions are:

- o The best efforts that countries can put forward without conditions:

  - To be supported for countries that wish to go beyond their capacity

- o For developing countries: dependent on adequate provision of support and based on clarity on the provision of support

- o To be nationally determined and not to be imposed or determined by way of top-down allocation or international negotiation

- o Not to set new obligations for Parties

- o Intended and therefore provisional

Contributions cover:

- o All elements considered under the ADP

- o Mitigation for all Parties:

  - Focus should be on mitigation since this is where a collective effort is needed

Adaptation contributions cannot be a substitute for mitigation contributions; there could be adaptation contributions in addition to mitigation contributions, developed according to specific guidance different from the rules for mitigation contributions

- o For developed countries: mitigation and means of implementation:

  - Contributions do not include support

Contributions will be:

- o The basis for legally binding commitments

- o Of the same legal force for all Parties

- o Legally binding for developed countries, voluntary for developing countries

- o Options for legal force to be considered:

  - Legally binding at the international level

  - Legal obligation to put forward a contribution

  - Recognize domestic legally binding character

Information to accompany the contributions

  - Information should be provided with a view to:

- o Understanding overall and individual efforts towards the global goal

- o Ensuring that commitments are transparent, quantifiable, comparable, verifiable and ambitious

- o Building trust and providing guidance for preparing contributions

- o Allowing Parties to explain why contributions are fair and ambitious

- o Allowing for aggregation to determine the overall level of ambition

- o Assessing overall ambition and fairness

- o Comparing contributions and the effort behind the contributions

- o Helping to build the transparency framework

  - Build on experiences in the clarification of pre-2020 pledges

  - Provision of information should be differentiated following the Bali approach:

- o Developed countries through the common tabular format that emerged from the Bali Action Plan

- o Developing countries through NCs

  - A common template:

- o For all, to be developed

- o Only for developed countries

  - Information to be provided includes:

- o Type of commitment/contribution
- o Time frame or base year/period
- o Baseline emissions
- o Peaking year
- o Coverage in terms of:
  - Greenhouse gases and sectors
  - Geographical boundaries
  - Percentage of total/national emissions
- o Methodologies, emission factors and metrics used (e.g. GWP)
- o Expected emission reductions to be achieved
- o Expected use of market mechanisms
- o Approach to accounting for the land-use sector
- o Additional specific information depending on the type of commitment/contribution
- o Indicators relating to fairness and ambition
- o Information on support/means of implementation
- o For adaptation contributions: assessment and assumptions of climate impacts; analysis of vulnerable sectors; technology, investment and capacity needs; adaptation options and their costs; quantification of own investments; reflection of existing programmes and projects (all per sector)

### Process<sup>13</sup>

A process is needed to:

- o Inform/guide the preparation of contributions
- o Present the contributions
- o Consider/assess/review contributions

With the purpose of:

- o Enhancing transparency, in order to understand contributions, but not to negotiate commitments:

Providing an opportunity for Parties to analyse and pose clarifying questions regarding the contributions before they are finalized

- o Understanding the environmental effectiveness of the contributions and their aggregation; determining the individual and overall level of ambition
- o Considering, assessing and/or reviewing contributions ex ante/upfront:

In the light of equity/fairness and ambition/adequacy

In a transparent and comparable manner, based on science, and guided by consideration of evolving capability and responsibility

Against a collective perception of fairness/fairness of contributions with regard to mitigation, adaptation and means of implementation

In terms of the global ambition and efforts of all Parties in view of the 2 °C goal

- o Enhancing action through fostering collaboration
- o Adjusting contributions:

Automatic upward adjustment of contributions as part of an ex post assessment

Allowing Parties to increase ambition according to their national circumstances/providing an opportunity for Parties to adjust their contributions if they so choose, before finalizing them

In the form of:

- o An initial review under the ADP
- o An assessment under a review panel
- o An international review mechanism
- o A dynamic, flexible and robust mechanism
- o A dynamic framework

- o A consultative process
- o A combination of upfront assessment and a transparent and consultative process
- o An ex ante multilateral assessment in a non-intrusive non-prescriptive manner
- o An ex ante assessment of contributions regarding means of implementation based on needs assessment
- o As part of a principle-based reference framework

To be conducted/start:

- o For the contributions presented by Parties in 2015:

Following the establishment of a multilateral ex ante assessment process in Lima

In 2015

In 2016

In 2020

- o After Parties accounting for 75 per cent of global emissions have submitted their contribution

Contributions to be formalized and anchored/captured:

- o In schedules
- o Separately from the adopted instrument, for example in a decision
- o In an annex/attachment to the agreement

Support

Need for provisions to support developing countries to prepare and implement their contributions, including through establishing a mechanism:

- o Support is already being provided to developing countries

13 See also process-related proposals with regard to periodic assessment below (section on other issues).

Transparency of action and support

Transparency of action

General features

Build on existing arrangements

MRV, accounting rules and compliance to underpin future transparency framework

MRV to encompass mitigation and adaptation

KP is the main reference for transparency rules

System to be efficient and streamlined

Differentiation and flexibility

One common system, single set of guidelines with built-in flexibility

Application of CBDR-RC

All Parties to enhance the implementation of Article 4, paragraph 1(a) and (j), and Article 12, paragraph 1

Different requirements/rules for developed and developing countries, in accordance with Articles 4 and 12; two sets of rules for Annex I and non-Annex I Parties, which are different in nature:

- o Developed countries to enhance MRV of support, based on NCs, biennial reports (BRs), international assessment and review (IAR) and KP rules, using common templates for all developed countries

- o Developing countries to increase transparency of enhanced actions through NCs, biennial update reports (BURs), registry and international consultation and analysis (ICA) in a non-intrusive, non-punitive manner and respecting national sovereignty

MRV for developed countries to be enhanced

Same rules for all Parties will delay action

Differentiated based on capacity to evolve over time into a common system

Allow MRV of developing countries to progress gradually

Choice of different tiers in IPCC methodologies

Different tiers of IPCC methodologies and stringency for SIDS and LDCs

## **Accounting**

Common accounting rules for land use, land-use change and forestry and use of market mechanisms

Common accounting rules with built-in flexibility

Common accounting rules for Annex I Parties only

Difficult to comply with common accounting rules due to different capabilities

Accounting rules should apply to all

Accounting rules important to understand contributions

Should not be used as an excuse to delay submission of upfront information

Transparency of support

General features

Build on existing arrangements

Need for international oversight to better track the implementation of commitments, including on support

Need for information on support provided and received

Need for harmonization and coordination of existing data systems

Differentiation and flexibility

Common MRV of support system which:

- o Reflects progress made and lessons learned in the existing MRV system
- o Recognizes special circumstances of countries and allows for the evolution of countries within the system
- o Provides for differentiation in reporting and common international review of reports

- o Takes into account further COP guidance
- o Allows for the incorporation of a growing number of contributors
- o Places greater emphasis on effectiveness

Transparency requirements to be differentiated in accordance with Article 12:

- o Developed countries to enhance MRV of support, based on NCs, BRs, IAR and KP rules, using common templates for all developed countries
- o Developing countries to increase transparency of enhanced actions through NCs, BURs, registry and ICA in a non-intrusive, non-punitive manner and respecting national sovereignty

### **Accounting**

Need for accounting mechanism for support

Common templates and accounting rules for all developed countries

Need for accounting rules for climate finance

MRV proposal by Ecuador<sup>14</sup> and ongoing work of the Standing Committee on Finance as a basis for discussions

### **Specifics on MRV of support**

Finance:

- o Need for a definition of climate finance
- o Need for accounting rules for climate finance, including for the private sector
- o Need for information on:

Sources, scale, channels and instruments

Private and South–South flows

Private sector reported separately

Enabling environments

As outlined in the MRV proposal by Ecuador<sup>15</sup>



Capacity-building:

- o 2015 agreement to contain a clear system for MRV of capacity-building:

Possibly as part of MRV of support

- o Need for a clear definition of capacity-building activities and contributions

- o Effectiveness of capacity-building support to be measured:

Based on impact and knowledge created within countries

Against clear performance indicators at the national level, by a capacity-building committee

Supported by the Durban Forum on capacity-building and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE)

*Support for implementing MRV*

Support for implementing transparency requirements is needed

Capacity of developing countries to be built to implement MRV at the national level

Other issues raised by Parties

Compliance

General

Compliance should be part of the 2015 agreement and include consequences for non-compliance

Premature to speak of compliance until the ADP has discussed substance

Purpose

Ensure proper implementation of commitments and build trust by ensuring that a Party is accountable for its commitments and knows that other Parties are carrying out their commitments

Promote international oversight of effective implementation of commitments resulting from the Convention and related instruments, including on support; determine compliance of Annex I Parties

Promote environmental integrity and equity, and comparability of efforts among Parties

14 FCCC/AWGLCA/2012/CRP.1 (submission by Ecuador at the fifteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention: draft decision on the issue of MRV of support).

#### *Features and functions*

KP compliance system as the starting point: similar to the KP system and/or at least not lower than it; the facilitative branch of the KP compliance system and the CGE process serve as good models

Based on climate justice

System of facilitating implementation

Review the MRV of mitigation effort/mitigation commitments of Annex I Parties

Review the MRV of financial support/compliance with financial obligations/compliance mechanism for support

#### *Modalities and structure*

Measures should range from assistance to sanctions

An enforcement branch/punitive measures for developed country Parties/compelling measures, different set of elements for different sets of Parties

A facilitative branch/incentive measures to assist developing country Parties/facilitative measures

Should involve expert review teams to review MRV of mitigation effort and financial support

Define the relationship of the compliance mechanism with contributions in terms of means of implementation

#### **Assessment**

Need to provide for an assessment process/mechanism with the purpose of:

- o Ensuring that the mitigation efforts remain adequate over time

- o Determining what pathways are required to get to 2/1.5 °C and a corresponding global effort on emission reduction in 2020, 2025 and 2030

- o Closing the ambition gap

- o Assessing/reviewing:

- Commitments/contributions over time as science evolves, based on the IPCC Fifth Assessment Report and future IPCC assessments and the 2013–2015 review

- Targets of Annex I Parties under Article 4, paragraph 2(d), of the Convention

- Aggregate commitments to determine their environmental effectiveness/aggregate contributions aiming at maintaining the goal of under 2 °C

- Whether we are on track to the 1.5 °C goal and progress is made on technical and financial support

- Adequacy in a non-intrusive non-prescriptive manner

- Adequacy and fairness, in response to science

- The effectiveness or impacts of the adaptation contributions

- o Addressing deficits in the light of the ambition required

- o Resulting in upward adjustment of individual and collective mitigation commitments

- o Allowing Parties to increase ambition according to their national circumstances/adjust their contributions, taking into account changing conditions and science

- In the form of:

- o A regular/periodic assessment:

- Involving a review panel to do analytical work

- With a built-in process to monitor how commitments are being implemented

- o An international review mechanism with compliance elements

- o A mechanism to periodically review contributions (on all issues) based on science and respective capacities

o A principle-based reference framework, including:

An assessment of adequacy and fairness of commitments:

That will be evaluated against the temperature goal as well as metrics of historical responsibility, current capability and development needs

In a non-intrusive non-prescriptive manner

A mid-term review, and

An ex post review

o A dynamic framework/a dynamic, flexible and robust mechanism/a mechanism to raise the contributions over time

o A series of steps that should be referred to in the agreement

With regard to finance, specifically, need to provide for:

o An assessment by the COP to determine what is needed to implement the Convention (as per the Global Environment Facility memorandum of understanding and GCF arrangements)

o The COP to determine, every five years, a total new and additional amount for Annex II Parties to collectively provide to non-Annex I Parties that are below both the median GDP and the median per capita GDP values; amount of financial support by each Annex II Party also to be determined based on proposals provided by the Subsidiary Body for Implementation (proposed breakdown to follow specific proposed formula)

o Updating and reviewing finance target/pathways over time, based on developing country needs or in proportion with action to be taken

o A mechanism for the regular assessment of resources needed to achieve the 2 °C goal

o NAMAs and national adaptation programmes of action /NAPs to reflect support required

With regard to capacity-building, specifically: need for regular review and update of commitments on capacity-building

With regard to transparency, specifically: need for an ex post assessment to refine the MRV system

### *Role of non-State actors*

Need to consider how the work of local governments, subregional entities and the private sector can be taken into account

On adaptation, the agreement should strengthen the linkages with organizations and institutions outside the Convention, in particular the private sector

Private-sector resources and action should be leveraged and mobilized by public-sector actions

### Procedural and institutional provisions

Need to consider institutional arrangements:

- o Role of the secretariat, the COP and other bodies:

Such provisions could generally mirror the institutional provisions of the KP with respect to the COP, secretariat and subsidiary bodies

Clarify that the subsidiary bodies of the Convention will serve the 2015 agreement

- o Need to ensure a coherent institutional framework

Need to include procedural provisions/final clauses, including:

- o Signature, ratification, approval

- o Entry into force:

Should be neither over- nor under-inclusive

- o Provisions for the participation of regional economic integration organizations

- o Amendment:

Give particular consideration to amendment procedures

- o Transitional arrangements/provisions, including potential prompt start or early application

- o Could use standard final clauses in many cases

Agreement to include definitions of important terms used in the agreement

Need to consider the role of non-Parties

## **Annex 2: Some countries' extracts from the High-level Ministerial Round Table on Increased Ambition of Kyoto Protocol Commitments - 5 June 2014**

- **Japan:** As part of its package of actions, Japan imposed a tax on fossil fuels to invest in renewable energy and energy efficiency. The Japanese government also undertakes support for enhanced energy systems and low carbon buildings. Moreover, Japan will intensify diplomatic initiatives to enhance climate action. Japan has also provided finance through JCM and other mechanisms such as the Cool Earth Programme.
- **European Commission:** The European Commission noted that the EU has overachieved its KP target and quite successfully. The EC pointed out that the EU accounts for 10% of global emissions. Therefore, everyone must make an effort to combat climate change in accordance with the goal of limiting temperature increase to below 2C. It also acknowledged the work of ADP WS 2?, which identified options for closing the ambition gap by 2020. As the main tools the EU emphasised energy efficiency and renewable energy and REDD+. Importantly, INDCs should accomplish a variety of goals including economy wide targets, provision for verifiable information, review periods, and legally binding instruments. The entire process should be measurable, reportable and verifiable. The EU indicated that under certain conditions they could move to a greater (30%) emission reduction commitment for the first period.
- **USA:** The US reiterated its commitment in leading the effort in climate change action. Accordingly, it has set about to enhance vehicle efficiency, renewable energy, power plants, etc. In addition, there are new rules to reduce emissions from coal power plants. The government is also looking for other opportunities. The USA also highlighted its work within the multilateral process. Such efforts include actions within the Montreal Protocol to phase down the production of HFCs. Furthermore, it has taken efforts to stop subsidising investments in coal plants without carbon capture and storage except in the poorest countries. It also now supports low-emission development strategies.
- **Brazil:** Brazil noted that it has begun a nationwide consultation on its NDC, and will present it before 2015. Such efforts should include but not be limited to mitigation. Brazil also said that all emissions related to the hosting of the 2014 World Cup would be offset. It also made

special note for REDD+ based actions and noted that it prevented 800 million tonnes of Co2 through de-forestation.

- **Grenada:** Grenada noted that the NDC is not very clear to yet. NDCs are at the level that each party will make to resolve the climate change problems. Accordingly, CBDR is an essential element in making decisions concerning targets and commitments. Furthermore, it noted that LDCs contribute little to the problem of climate change but are prepared to take action. In such a context, there is a need to agree on a minimum set of information to determine contributions and set up a review process to examine contributions to determine if they are sufficiently ambitious.
- **Bolivia: G77 + China:** The group stressed that the agreement must involve a balance between both work streams. Importantly, the work under ADP should be under the convention and based on the principles and commitments of the convention including adaptation, mitigation and means of implementation. Thus, there must be no re-interpretation of existing principles. In particular, the ADP process should adhere to the norms of CBDR. Developed countries should provide developing countries with adequate levels of funding, capacity building and technology transfer. Furthermore, there is a need for operationalising a funding mechanism as soon as possible. It also expressed concern over the lack of ambition amongst Annex 1 Parties for the pre-2020 period. Accordingly, it noted that Annex 1 Parties must take the lead on mitigation efforts.
- **Tanzania: Africa Group:** current targets for mitigation need to increase for the period up to 2020. Africa has already taken political actions to exploit mitigation potential. Higher density of forests contributes to the carbon sink, which accounts for 2.8 billion tonnes of CO2 stored each year in the developing countries. However, the group stressed that Africa is constrained by financial requirements. Thus, there is a need to capitalise the GCF with at least USD 10 billion. Furthermore, it called for political action to simulate support for the REDD+ initiatives. In this regard, international cooperation needs to support country driven operations.
- **Columbia: AILAC:** Agreement must be guided by the goal of limiting temperature increase to below 2C. In general, the agreement should be comprehensive in terms of mitigation, adaptation and means of implementation. It must be sensitive to the requirements of countries.

The group also noted that adaptation has a local, regional and global co-benefit that must be taken into account. Therefore, there is a need to establish long-term goals for adaptation.

Many noted the positive developments in the policy of USA and China.