



UNFCCC negotiations: What key issues are still to be decided before 2015 Agreement becomes a reality?

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The September meeting of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2.10) in Bonn allowed parties to the UNFCCC make a progress on the way towards adopting “a protocol” in less than 3 months from now in Paris.

This will be legal instrument or an agreed outcome which, like the Kyoto Protocol, will have legal force over all parties to the Convention, including the Eastern Partnership countries and Russia.

Negotiators arrived in Bonn at the end of August armed with the ADP Co-Chairs scenario note, a draft decision on pre-2020 ambitions discussed under ADP workstream 2 (WS2) and a so-called “tool”, prepared by the Co-Chairs on the basis of the Geneva Negotiating Text (GNT) aiming to support negotiations under ADP workstream 1. The tool was based on a consolidated text which emerged from ADP 2.9 session in Bonn in June, itself an iteration of the GNT put together by parties at that session.

In their scenario note, issued on 24 July, well in advance of the September ADP meeting, Co-Chairs stressed that all elements of the GNT were retained in the “tool”, which re-organised GNT into 3 parts, as suggested by the Co-Chairs: part 1 containing elements which are considered suitable for inclusion in the Paris Agreement; part 2 containing elements which should be included in COP decisions; part 3 where all other elements were placed, for parties to decide what to do with these.

Workstream 1 Preparations for the 2015 Agreement

At the beginning of the ADP 2.10, all parties agreed to work with the aid of the “tool” and, with the aid of facilitators appointed by the Co-Chairs, worked through sections of the negotiating text in facilitated groups and spin-off groups.

The parties discussed the preamble, general/objective, mitigation, adaptation, loss and damage, finance and technology, capacity building, timeframes, implementation and compliance, transparency, procedural and institutional provisions.

In facilitated groups, and in spin-offs, parties discussed key issues for each section, putting forward their views and often reiterating their views known from ADP 2.9, sometimes modified in response to other parties’ proposals. In some cases, parties had begun drafting, but the progress was frustratingly slow, which was noted at the stocktaking meeting halfway through the session.

Discussions on the mode of work and procedural issues slowed the pace of work in the first days of the session. Progress on these sections was uneven. Discussions on the preamble, for example, did not make much progress but many parties believe that this section is to be decided at the very end of textual negotiations.

Parties indicated that a short and concise preamble would be preferable, however, key issues should be included, such as a reference to the principles of the Convention, urgency of action, reference to latest science, sustainable development, equity, environmental integrity, law, health, the role of private sector and non-state actors, adaptation, loss and damage, means of implementation.

The issue of rights, especially human rights, and of equity in the preamble were debated by parties at great length.

Parties paid a lot of attention to adaptation and loss and damage, with developing countries pushing for a prominence for these issues and possible inclusion of loss and damage in the Paris Agreement. Developing countries support loss and damage in the agreement, while developed countries see this issue as best placed in decisions.

Developing countries presented a united front on promoting a long-term adaptation goal modelled on the approach to long-term goal in mitigation, complete with regular review cycles leading to improvement of adaptation efforts supported through support and sharing knowledge.

Adaptation goals should be operationalised through finance. Developing through supporting a balance of mitigation and adaptation against legal obligations.

On loss and damage, there was a difference of opinion on where to place this issue. In section D (mitigation) the session ended with a long list of 11 options on differentiation defined in the spin-off group on differentiation. The parties discussed market and non-market approaches and how to reflect these issues in the agreement and in the decisions adopted by COP 21.

Discussing mitigation, the parties talked also about an option to include in the agreement international transfers of mitigation outcomes for compliance. The majority of parties do recognise the usefulness of including markets in the Paris Agreement. Even countries from BASIC group (Brazil, China, India) would accept market solutions in the agreement. However, Brazil would like to retain AI/NAI distinction, while China and India are ready to support only a general reference in the agreement. On the other hand, Venezuela, Bolivia and Saudi Arabia were against any references to markets in the New Agreement. Parties expect to be able to work on the text in October but it is a long way to setting the rules on markets and international cooperation in this area in Paris.

Discussion on finance was based on section “E” of the Co-Chairs “tool”. The September session did not result in any progress on this issue, instead parties spent time presenting their known positions and on procedural discussions.

Financial issues were discussed in 17 formal and informal meetings (one of them jointly with adaptation experts). In the formal meetings, parties chose to discuss mainly procedural issues, in some cases textual proposals were discussed.

The G-77 and developed countries put forward textual proposals on issues crucial to them, with a view of contributing to the new draft to be prepared by the Co-Chairs early in October. In general, parties have divergent views and a compromise is still far away.

Among other issues that were in the spotlight, measuring, reporting and verification were much discussed, and among key questions discussed was support for MRV in developing countries. Some countries, notably members of the Independent Alliance of Latin America and the



Caribbean (AILAC), supported a 5-year review and upward mitigation mechanism for the agreement.

Workstream 2 Raising pre-2020 ambition

The draft decision on Workstream 2 (WS2) proposed by the Co-Chairs on 24 July was a point of reference for negotiators working in a facilitated group on increasing pre-2020 ambition. The draft reflected key asks of regional groups put forward during the previous session in June (ADP 2.9) and in the submissions published before and during the session.

The group generated two spin-offs, looking at implementation and at the continuation of the Technical Examination Process (TEP) after the ADP mandate expires in December 2015 when the 2015 Agreement will be adopted in Paris.

The Parties did air their views on the mitigation potential and raising ambition before 2020 but calls for developing countries with pledges or commitments pre-2020 to increase their pledges or commitments were muted. The leading role of developing countries was recalled by members of the Like Minded Group of Developing Countries (LMDC), but mitigation action pre-2020 was mentioned chiefly as calls to those countries that had not yet declared pledges nor pre-2020 actions in the period until 2020.

Developing countries (G-77, LMDCs) stressed the necessity for more detailed articulation of those calls for action in the decision, going beyond general statements about the need to increase action. There were also calls for outlining concrete actions in the text.

In the course of discussion on actions towards increasing ambition, China raised the issue of the absence in the draft text of a G-77 proposal for accelerated implementation process which was formally put forward by G-77 in the course of the previous ADP session in June. Further proposals of text referring to pledges, co-benefits of actions, finance or Nationally Appropriate Mitigation Actions (NAMAs) were articulated during spin-off on implementation.

Parties discussed also the importance of high level meetings or high level process on ministerial level in catalysing action under workstream 2. Members of the Alliance of Small Island States (AOSIS) strongly backed an idea to nominate champions, whose role would be to co-ordinate activities of the Convention Bodies and to cooperate with the COP Presidency on the political level.

Much time was devoted to broadening the scope of WS2 to adaptation. This project is valuable especially to developing countries. Developed countries stressed the necessity to focus in the period before 2020 on mitigation and called for the increase of ambition on mitigation, also on mitigation actions with adaptation co-benefits. Issue of support for pre-2020 action in developing countries was discussed also in this context.

The Arab Group, China and India called for a discussion on means of implementation, mitigation and adaptation under WS2 as elements that require increased ambition pre-2020. G-77, especially China and Brazil stressed that actions announced in pre-2020 period reflect on ambition and scope of actions to be undertaken under WS1.

Following the importance that developing countries attach to the inclusion in WS2 of adaptation and means of implementation on equal terms with mitigation, discussion on continuation of Technical Examination Process turned into a festival of proposals on how to expand TEP to adaptation, or on how to introduce a separate TEP on adaptation (this was advocated by LMDCs, G-77 and China).

The African Group and LDCs, meanwhile, raised the issue of including MOI in technical examination process. India expressed willingness to introduce to TEP the issues of finance and technology transfer. Developing countries in general are against continuation of TEP as solely a process focusing on mitigation. The developed countries, on the contrary, are cautious towards expanding the process to include adaptation and means of implementation. However, some developing countries mentioned that adaptation experts should be invited to discuss adaptation as part of TEP, arguing that negotiators working under WS2 are mainly mitigation experts and have no knowledge enabling them to decide whether adaptation should be discussed under TEP.

The Parties also discussed institutional framework for WS2 from 2016 onwards, with more support voiced to positioning TEP under the COP, rather than in the work programme of Subsidiary Bodies. At the end of the ADP 2.10, parties decided to ask the Co-Chairs for a new iteration of the draft decision, taking into account comments and proposals submitted by parties during the session in the facilitated group and in the spin-offs, and submissions that some parties (including the EU) may want to submit.

Conclusions

The parties retained trust in the Co-Chairs, and asked them to prepare draft text for October ADP session. The Co-Chairs were asked to provide this iteration in the first week of October, and promised to do so, presenting also their ideas on the mode of work in the scenario note for the October session.

Under WS1, key issues warranting success of the Paris COP are blocked under means of implementation (finance, technology, capacity building) and around adaptation which some countries put together with loss and damage. Developing countries are stressing the need for tracking the flows of climate finance, and the importance of transparency, avoiding double counting and predictability. The issue of pre-2020 finance and ensuring that pre-2020 commitments are fulfilled by developed countries is considered as one of key cornerstones for a successful Paris outcome.

Many parties stress that fulfilling financial commitments, developed countries will build trust necessary for success. Finance is closely linked to technology development and transfer, and capacity building that developing countries want to ensure in order to effectively engage in climate adaptation and mitigation.

Adaptation, according to many developing parties, is as important as mitigation, and both, mitigation and adaptation require adequate resources. During the session there was also a pressure to give greater prominence in the Paris Agreement to loss and damage. More countries are willing to consider this but there is no consensus on whether to include loss and damage in the agreement, or to deal with this issue in the accompanying COP decisions.

Under WS2 the developed countries were not able to shift discussion to the issue of increasing the number of parties with mitigation pledges before 2020 and focus the discourse on the implementation of the recommendations issued by all Technical Expert Meetings so far, including the role of non-state actors.

The G-77 and China, and LMDCs successfully broadened the discussion by including adaptation and support. Continuation of TEP on adaptation in the period of 2016-2020, even a separate adaptation TEP and, as a consequence, a discussion on MOI for adaptation in developing countries before 2020, are more likely now.

The subject of a mechanism or accelerating implementation process introduced in June by G-77 and China but not included in the Co-Chairs draft decision is now back. Developing countries were less critical of the general call to all parties to increase ambition pre-2020, but the

leadership of developed countries must be stressed. In return for developing countries agreeing for the call for ambition to be applicable to all parties, developed countries will have to agree to adaptation being included under TEP. Developing countries will press for inclusion of means of implementation to the discussion on pre-2020 ambition.

In parallel, political talks are organised by the current Peruvian COP Presidency and the incoming French COP Presidency in an effort to strengthen the resolve of countries to reach a meaningful agreement in December this year. Both Presidencies organised ministerial meetings in Paris on 20-21 July and on 6-7 September in Paris.

At the September meetings, the ministers discussed key political stumbling blocks: means of implementation and adaptation with loss and damage. Other issues discussed were ways to the wider transformation of investment, with presentation by the OECD on tracking climate finance flows, and initiatives on strengthening research and climate technologies development.

The ministers also discussed the road to Paris, focussing on the outcome of the ADP 2.10 and on the expectations from the last ADP session before Paris COP in October. The General Assembly of the UN in New York was indicated as an opportunity to discussions, and in Lima on 9 October ministers of finance will meet to discuss financial issues in the margins of IMF and WB meetings. The French Presidency of the COP is also planning an enlarged pre-COP on 8-10 November, to allow for further political discussions preparatory to the COP, focussing on issues left open after the October ADP session (19-23 October). The COP will start on 30 November, with a special high level event for Heads of State and Government planned for the opening day, and is scheduled to close on 11 December. This is a truly packed calendar to follow.