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## **NOTE**

This is a collection of 10 News Updates prepared by the Third World Network for and during the recent United Nations Climate Change Talks – the sixth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2-6) – in Bonn, Germany, from 20 to 25 October 2014.

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## Bonn News Update

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### Parties Express Views on ADP Co-chairs' Documents

Bonn, 21 October (Hilary Chiew ) – Parties at the meeting of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) gave their reflections on how they viewed the various documents produced by the Co-chairs for their consideration.

The ADP is convened under the United Nations Framework Convention on Climate Change (UNFCCC) and it resumed its meeting from 20 to 25 October in Bonn, Germany.

The ADP Co-chairs, Artur Runge-Metzger (EU) and Kishan Kumarsingh (Trinidad and Tobago), convened the opening plenary and informed Parties that they had prepared several documents for their consideration which included (i) a non-paper describing Parties' views and proposals on the elements for a draft negotiating text in bullet-point format (for the 2015 agreement to be concluded in Paris next year); (ii) a revised draft decision text on the intended nationally determined contributions (INDCs) of Parties in the context of the 2015 agreement and (iii) a draft decision text on accelerating the implementation of enhanced pre-2020 climate action (referred to commonly as the 'pre-2020 ambition').

(The non-paper on the elements of the draft negotiating text and the INDCs draft decision text relate to work under workstream 1 on the 2015 agreement, while the draft decision text on the pre-2020 ambition relates to work under workstream 2.)

Diverging views emerged over a draft decision text on INDCs. Two developing country groupings, the Like-minded Developing Countries (LMDC) and the African Group expressed concerns that the draft decision document was beyond the mandate of the Warsaw decision (held last year in December 2013). The mandate, they said, was to identify the information that Parties will provide when they communicate their INDCs.

The LMDC noted that the INDC draft decision is not a text from the Parties and contained ideas and concepts such as 'ex-ante or ex-post consultation, assessment or review' which were not part of the Warsaw mandate. It also expressed the view that the draft decision narrowed the scope of INDCs to only address the mitigation element.

The African Group expressed concerns about the Co-chairs' non-paper of the elements for a draft negotiating text for post-2015 agreement and the draft decision on INDCs. It was concerned over the differing status of the two documents where the INDCs are presented in the form of a draft text, whilst elements of the agreement are in a non-paper. It was also concerned that the INDC decision appeared to focus mainly on mitigation and was of the view that this should not be so.

However, the Least Developed Countries (LDCs) were of the view that the two documents were complementary and it will be beneficial if Parties continue to clarify their contributions and they believed that the INDCs should primarily be mitigation-centric.

The European Union (EU), the Umbrella Group (UG) and the Environmental Integrity Group (EIG) supported the need for upfront information and an *ex-ante* assessment process to build confidence in relation to the INDCs. The EU and the UG wanted the INDCs to be about mitigation.

On the Co-chairs' non-paper on elements for the 2015 agreement, there was an expression of support to use the paper as a starting point for negotiations, notwithstanding that it was 'not perfect'. Many developing country groupings stressed that the six core elements identified in paragraph 5 of Decision 1/CP.17 (on mitigation, adaptation, finance, technology transfer, capacity building, and transparency of action and support) should be addressed in a balanced and

comprehensive manner through an open and transparent, inclusive, Party-driven and consensus-building process.

President-designate of the 20th Conference of the Parties (COP20) in Lima, Peruvian Environment Minister Manuel Pulgar-Vidal, in addressing the meeting at its opening reminded Parties that the Bonn session was just 40 days ahead of the Lima COP. He said the world is not going to accept 'our failure to fulfil the mandate' of previous COPs. He believed that Parties are not far from consensus and urged them to move discussions this week aiming for substantial results.

The UNFCCC's Executive Secretary, Christiana Figueres, reminded Parties that 144 ratifications are needed to bring the second commitment period (2CP) of the Kyoto Protocol (KP) into force and urged delegates to submit the necessary documents for ratification. Referring to the unprecedented public mobilisation in New York in September this year and to the 160 countries who attended the UN Secretary-General's Climate Summit, she said the eyes of the world are on the delegates to chart the path towards finding the solutions to address climate change. The path, she said, must be nationally equitable and globally responsible and must provide a strong collaboration platform that ensures that no one is left behind; and must have clear markers in the near and long term.

The legal adviser of the UNFCCC Secretariat also made a presentation on the legal and institutional aspects of the 2015 agreement, prepared at the request of the ADP Co-chairs. He said that the secretariat is well aware that the legal form of the 2015 agreement has not been conclusively determined. Consequently the three options – a protocol, another legal instrument and an agreed outcome with legal force – outlined in decision 1/CP.17 remain on the table. He said that a note on questions and answers that has been prepared in this regard addresses a number of legal and institutional issues that Parties will need to consider in the event that the 2015 agreement is to be adopted as a protocol under Article 17 of the Convention by addressing governance arrangements, institutional issues, final clauses and transitional arrangements. He said this does not prejudice the form of the legal outcome of the 2015 agreement.

**Bolivia speaking for the G77 and China** said the October session should be focused on advancing the work that has to be completed by Lima with a clear plan of how the time will be distributed during this week. It appreciated the Co-chairs' efforts to prepare the non-paper in the form of a bullet-point

compilation of Parties' views and submissions. Although the non-paper on elements is not perfect, it could be a useful starting point for Parties to negotiate with each other in a formal and focused mode under the contact group and make substantial progress on further elaborating based on Parties' inputs and collectively constructing the elements for a draft negotiating text in a manner that is open and transparent, inclusive, Party-driven and consensus-building.

The Group noted that although the technical expert meetings (TEMs) have provided some important information and inputs for the consideration of the Parties for the enhancement of pre-2020 ambition, particularly mobilising and providing finance, technology and capacity building under the Convention to developing country Parties to enable them to enhance their actions to implement the Convention and address climate change, they do not include sufficient information or inputs on how developed countries can more effectively implement their pre-2020 mitigation commitments and how the existing mechanisms and arrangements under the Convention can help to address the implementation gap of that pre-2020 period.

There is an urgent need to close the pre-2020 ambition gap. It expressed concerns about the lack of fulfilment of commitments by developed countries. In addressing this gap, the focus must not be limited to mitigation only but also address gaps relating to finance, technology and support for capacity-building. It emphasised that developed countries must take robust and ambitious mitigation commitments, with ambitious quantitative targets for limiting and reducing emissions, as required by science and mandated by the UNFCCC.

Developed countries, given their historical responsibility, have to take the lead in addressing the challenge of climate change in accordance with the principles and provisions of the UNFCCC particularly the principle of equity, common but differentiated responsibilities and respective capabilities (CBDR-RC), and provide financial and technological support to developing countries in a transparent, adequate and predictable manner. Increasing pre-2020 ambition must be achieved *inter alia* the acceleration of the implementation of the 2CP of the KP and the outcomes of the Bali Action Plan in accordance with principles and provisions of the Convention, with developed country Parties taking the lead.

It also called on developed country Parties and other Parties included in Annex I of the Convention to revisit their quantified economy-wide emission

reduction targets under the Convention for the 2CP of the KP, with the aim of increasing such targets or commitments to at least 40% below 1990 levels by the year 2020 and adjusting, resolving or removing any conditions associated with their quantified economy-wide emission reduction targets.

Enhanced action and international cooperation on adaptation is urgently required to enable and support the implementation of adaptation actions aimed at reducing vulnerability and building resilience in developing countries, taking into account the urgent and immediate needs of those developing countries that are particularly vulnerable, it added.

The Group said the 2015 outcome needs to reflect a long-term vision that will ultimately help Parties in particular developing countries undertake adaptation, going beyond building resilience. It stressed that adaptation is an additional development burden and requires significant support from developed countries. In this context, it reiterated the need to scale up adaptation finance in accordance with provisions and principles of the Convention, in particular Article 4.

Technology development and transfer from developed countries and Annex II Parties to developing countries is a key enabling element for ensuring enhanced mitigation and adaptation actions by developing countries. Effective and enhanced climate change actions by developing country Parties depend on the effective provision of support, including finance, for technology development and transfer from developed country Parties. A provision should be incorporated in the 2015 agreement to enhance action on the development and transfer of technologies and know-how, including financing of transfer and access, and the removal of barriers.

The G77 said there is an urgent need to have a clear commitment of developed country Parties to provide at least US\$70 billion per year by 2016 rising to US\$100 billion per year by 2020 as a floor for accounting, and leading to further increased commitments on the provision of financial support for the post-2020 period. A clear roadmap, including targets, timelines and sources, is needed to ensure the scaling up of the finance. The financial support should be primarily from public sources and only supplemented by private sources.

It stressed the need to operationalise what we have agreed regarding issues of adequacy, accessibility, predictability, sustainability, additionally and transparency of the provision of finance by developed countries. As a priority, the 2015 agreement shall reflect the need to finance

adaptation and deal with the gaps in this regard while maintaining balanced support of both adaptation and mitigation. The Green Climate Fund (GCF) should be strengthened and anchored in the new agreement. The issue of early and full capitalisation of the GCF should be considered as a priority action to fulfil the pledges of the developed countries. Its initial capitalisation should be immediate and at a very significant level.

The G77 said that the COP has acknowledged that loss and damage associated with the adverse effects of climate change includes, and in some cases exceeds, that which can be reduced by adaptation. Therefore, it called for the inclusion of the Warsaw International Mechanism for Loss and Damage associated with climate change impacts, established at COP19, in the 2015 agreed outcome, as an additional element of the 2015 agreement.

The G77 attached particular importance to the issue of the legal form of the 2015 agreement and therefore calls for a proper discussion in that regard. The elements identified in decision 1/CP.19, paragraph 2(a) namely mitigation, adaptation, finance, capacity building, development and transfer of technologies and transparency of action and support must be treated on an equal footing. The provisions of the 2015 agreement should focus on enhanced actions under these six core elements recognising the importance of addressing loss and damage in the 2015 agreement.

**Ecuador** for the **LMDC** said as developing countries within whose borders live four out of every five of the world's poor who survive on less than \$2 a day, its member countries are among those that are particularly vulnerable to the adverse effects of climate change on their economies, societies, and sustainable development prospects for the future, as well as also being vulnerable to the adverse social and economic consequences of response measures. Hence, achieving a balanced, comprehensive, and ambitious outcome under the Convention towards addressing climate change effectively is of great importance. It expected significant progress at this session in: (i) fleshing out the elements for the draft negotiating text for the 2015 agreed outcome; (ii) identifying the information that Parties will provide when putting forward their contributions; and in (iii) accelerating the implementation of the Bali outcomes to enhance the pre-2020 ambition on mitigation, adaptation, finance and technology under workstream 2.

It also stressed that the process in the ADP must be open, transparent, inclusive, and Party-driven, and built on the consensus under which negotiating texts

are collectively constructed by Parties based on their inputs and submissions. It called for a formal negotiation among Parties in the contact group format, rather than have informal bilateral dialogues between different Parties and groups of Parties. The negotiations should be concentrated on the core tasks agreed by the Warsaw decision – elements and information – without overburdening the work by adding other issues outside the agreed tasks from Warsaw.

Ecuador said the non-paper on the 2015 elements can be a useful starting point for Parties to negotiate with each other in a formal and focused mode of work. It also stressed that the views expressed by Parties as well as any conference room papers that Parties may have put forward remain on the table during such negotiations. The questions to be discussed must be on the basis of the concrete and specific issues under the six core elements raised by Parties, rather than another round of ‘open questions’ to be set in a pick-and-choose approach. The primary focus of the work of the ADP should be on the six core elements of the 2015 agreement in a balanced and equal manner, not merely mitigation focused.

It said that the preparation of INDCs is not an independent task, or another workstream or additional process beyond the existing workstreams under the ADP process. The INDCs is not an end but a means to achieve the end of adopting the 2015 agreement. The provisions of the 2015 agreement should focus on enhanced actions for the implementation of the Convention after 2020 and should not be merely an INDCs agreement. Therefore, the INDCs should be discussed within the context of elements, emphasised Ecuador. It noted that the draft decision on INDCs is not a text from the Parties and it contains ideas and concepts that do not reflect any consensus arising from Party-driven negotiations.

Ecuador stressed that the INDC text goes beyond the agreed task from Warsaw, which is only to identify the information that INDCs could contain. The theme of the draft outcome in Lima should be the information that Parties will provide when putting forward their INDCs and not the INDCs themselves or other issues such as an *ex-ante* consideration process related to INDCs, which are totally outside the agreed task from Warsaw. The Warsaw decision does **not** provide for expanding the discussion with respect to information to issues such as *ex ante* or *ex post* consultation, assessment or review or for narrowing the scope of INDCs only to mitigation. These should be properly discussed during the negotiations on elements. The LMDC have already

put forward a draft decision text as a conference room paper on the information.

On workstream 2, it noted that there have been some ideas and inputs coming from the TEMs since the March session. It is necessary to conclude on the possible further arrangements of the TEMs. What is sorely lacking in this paper in its treatment of TEMs is what the Convention stresses on ‘facilitation of access to and financing transfer of technology’. Everything related to mitigation in the Convention is only related to technology development and transfer, of knowledge, processes and practices. This must be the focus of any work on mitigation and energy efficiency in the ADP, said Ecuador.

However, the workplan on enhancing pre-2020 ambition does not merely include TEMs. There are other even more important issues relating to enhancing pre-2020 ambition that need to be discussed. These include accelerating the implementation of the provision by developed countries of finance, technology and capacity-building support to developing countries as part of the implementation of the Bali Action Plan outcome; the ratcheting up of mitigation ambition by Annex I Parties to at least 40% below the 1990 level by 2020 through the Revisit Mechanism; and ensuring that the institutions and mechanisms that have already been set up under the Convention are made fully operational and effective in providing support to developing countries.

These key tasks, said Ecuador, have been set out in paragraphs 3 and 4 of the Warsaw decision. The operationalisation of these paragraphs is an integral and essential part of the workplan on pre-2020 ambition. There should be enough time allocated in this session to further our work on these paragraphs of the Warsaw decision. It wanted an outcome in workstream 2 that results in real action on the ground to accelerate the implementation of these issues rather than causing further delay in actual implementation or further backsliding from commitments under the Convention. It said that the Co-chairs’ draft decision falls short in this regard.

**Sudan** representing **the African Group** expressed concerns over the non-paper (for elements) and draft decision (for INDCs). It was concerned over the differing status of the two documents where the INDCs are presented in the form of a draft text, whilst elements of the agreement are in a non-paper. It believed that a discussion on how to capture these two aspects of the mandate should precede discussions in this session. It called for an exploration of whether Parties need a single or two outcomes in Lima, and secondly whether these will be captured in the form of a decision or not.

On the non-paper on elements of the draft negotiating text, it said that despite some shortcomings in the substance, the paper does reflect the broad parameters and it was happy to engage with other Parties and groups to deepen understanding of various concepts.

On the INDC draft decision, it said that it is important to have a discussion amongst Parties on defining information that will be provided by Parties on their INDCs. The African Group viewed the draft text with concern as it presents very precise expectations on mitigation, some optional language on adaptation, and no expectations on developed country Parties on finance, technology and capacity building, except for information presented in the Annex. The Group reiterated its position that the 2015 agreement will not be a mitigation agreement; it should cover all commitment elements of the UNFCCC. It said that some Parties suggest that the INDCs were conceived with mitigation in mind but its understanding is that the INDCs will address all the elements. The Group's experience from Warsaw is that the word 'contributions' sought to address an impasse on the discussion of commitments and actions, rather than a reference to mitigation.

Most African countries are in a better position to develop their adaptation rather than mitigation INDCs as informed by our experience in developing National Action Programmes for Adaptation (NAPAs) by LDCs as well as the process of developing National Adaptation Plans (NAPs) in developing countries. It saw the adaptation INDC as presenting its planning efforts, its current and future adaptation needs and a voluntary recognition of past investments with a reciprocal communication of future support by developed countries. It also saw developed countries presenting their means of implementation (technology, finance and capacity building) for INDCs where they outline the extent, type and activities to be supported on the basis of agreed measurement, reporting and verification (MRV) of support guidelines as outlined in decision 1/CP.19.

It stressed that the fundamental challenge on the pre-2020 ambition workstream is to turn the discussions into concrete and implementable measures by providing a clearer sense of direction through: directives by Parties (via the COP) to the operating entities of the financial mechanism of the Convention; directives to the broader institutions and mechanisms under the Convention to support integrated approaches to finance, technology and capacity building for the implementation of a global renewable energy partnership among Parties; and directives to Annex II Parties to scale up finance

specifically for initiatives identified under workstream 2 including through levels of financial support to the GCF and also clear benchmarks for support towards the US\$100 billion target by 2020 and to link the scale of mitigation ambition and the scale of financial support.

**South Africa** speaking for **BASIC** said the non-paper on the 2015 elements provided a good starting point for formal negotiations. It highlighted the need for enhanced ambition, noting that delivery on existing commitments in the pre-2020 period by developed country Parties will contribute to the enhancement of trust and confidence that is indispensable for the successful conclusion of the 2015 agreement. In particular, it stressed the need for clearer indications from developed countries on meeting their commitment to provide US\$100 billion in climate finance per year by 2020 and beyond, in particular through meaningful and substantial contributions to the GCF. It welcomed the announcements made by some developed countries for the initial capitalisation of the GCF, and called on other developed countries to do likewise as soon as possible, but no later than the pledging session for the Fund's mobilisation in November 2014.

It believed that the Lima COP is an important milestone for the successful conclusion of the negotiation of the 2015 agreement, which requires the strengthening of the multilateral rules-based regime under the Convention, in order to enhance the full, effective and sustained implementation of the Convention and achieve its objective as stated in Article 2. As agreed at COP17 in Durban, the 2015 agreement should be in accordance with the principles, provisions and structure of the Convention, in particular the principles of equity and CBDR-RC.

It re-emphasised that developed countries should take the lead in addressing climate change in accordance with their historical responsibilities, the latest available scientific evidence on climate change trends and the IPCC's AR5.

It believed that the 2015 agreement must provide an inclusive, equitable and effective framework within which Parties can put forward their contributions to keep the world on a path to limiting the increase in average global temperatures to below 2°C. In this regard, the agreement should allow Parties to progressively enhance their contributions, without providing for regression on existing commitment.

It said that the INDCs must cover mitigation, adaptation, finance, technology development and transfer and capacity building, in line with Parties' respective commitments under the Convention. It

emphasised that the information that Parties will provide when putting forwards their INDCs would also need to be accordingly differentiated between the developed and developing countries in accordance with Article 12 of the Convention. It further stressed that the purpose of such information is to facilitate the clarity, transparency and understanding of the INDCs in accordance with the Warsaw decision.

South Africa said that adaptation is an issue which requires a global response and is as important as mitigation, and all elements in paragraph 5, decision 1/CP.17 should be treated in a balanced manner in the 2015 agreement. National Adaptation Plans (NAPs) could be the basis for Parties' adaptation INDCs. Investment in adaptation by developing countries would represent an adaptation contribution.

The 2015 agreement must establish a clear link between the actions by developing countries to contribute to effectively addressing the climate change challenge and the scale of finance, technology and capacity-building support required by them for implementation. It is important that the 2015 agreement give effect to the principles of equity and CBDR-RC through implementation of provisions of the Convention that reflect Parties' common and differentiated commitments, related to mitigation, adaptation, finance, technology transfer and capacity building.

Regarding the pre-2020 ambition, it reiterated that the KP remained the essential and legally binding basis for addressing pre-2020 mitigation ambition. It called for the expeditious ratification of the 2CP of the KP and emphasised the importance of revisiting and significantly increasing ambition in 2014 and in line with what is required by science, and comparable pledges in the same timeframe by those Annex I Parties who have not participated in the 2CP. It was concerned about the low level of mitigation ambition of developed countries and called for necessary arrangements to be made for the 2014 Revisit for increasing the emission reduction targets by all developed country Parties.

It noted with concern that the pre-2020 ambition gaps exist not only in mitigation but also in adaptation and finance, technology and capacity-building support to developing countries. It stressed that the contribution of developing countries to mitigation efforts is far greater than that of developed countries and could be further enhanced if developed countries effectively implement and significantly increase their commitments of providing finance, technology and capacity-building support to

developing countries. It also said that paragraphs 3 and 4 of the Warsaw decision are integral and essential parts of the work under workstream 2.

**Nauru**, representing **the Alliance of Small Island States (AOSIS)**, said adaptation is absolutely critical. Loss and damage must be included as a central element of the 2015 agreement, one that is distinct and separate from adaptation. The loss and damage mechanism should have technical and financial functions to support vulnerable SIDS and LDCs in addressing the direct impacts of climate change with a governance body that includes representation of SIDS. It said the 2015 agreement must be a legally binding protocol under the Convention and applicable to all. Ambition should be in line with delivering a long-term global goal of limiting temperature increase to below 1.5°C and we need to consider at this session ways to ensure this. The identification of the information needed to allow Parties to present their INDCs in a manner that facilitates clarity, transparency, and allows consideration of the long-term goal.

The new agreement should also address the gaps of the current climate finance architecture and flows, including the shortage of funding for concrete adaptation in most vulnerable countries and the barriers to access resources for those capacity-constrained countries. Both public and private flows towards low-emission and climate-resilient sustainable development have to be scaled up urgently and different types of financing should be used and prioritised for different activities.

There is also a need for political discussions on paragraphs 3 and 4 of the Warsaw decision. It is incumbent on developed countries to take the lead in addressing climate change by raising the ambition of their 2020 commitments, and with regard to KP Parties, ratifying the Doha Amendment to the Kyoto Protocol. In addition, Parties must fully implement the agreed outcome of the Bali Action Plan, particularly through immediate action by developed countries to enhance the delivery of finance, technology transfer and development, and capacity building.

Representing the **LDCs**, **Nepal** said Parties should advance the draft negotiating text although some elements required further elaboration and the next step is to organise the elements in an appropriate format. It said progressing discussion on INDCs and requests for information on the scope and legal form is of paramount importance to the group, adding that it would be beneficial if Parties continue to clarify their contribution. It said the LDCs are of the view that the non-paper and the draft decision on INDCs

are complementary and believed that INDCs should primarily focus on mitigation.

Speaking for **ALBA (with Argentina and El Salvador)** also associating with the statement, **Venezuela** said mitigation, adaptation, finance, technological development and transfer, capacity building and transparency of actions and support should be at the heart of the 2015 agreement and they cannot be sidestepped or avoided as Parties discuss the legal nature of the treaty. It suggested having the non-paper put up on the screen and to begin discussions.

**Saudi Arabia for the Arab Group** urged for transparency and clarity in the discussions on all elements without stepping out of the mandate by focusing on other issues. It said Parties should work in a logical sequence first by agreeing to the six core elements before agreeing on the information for the INDCs. On finance, it said the Group has concerns that the financial pledges do not reach the minimum requirement to deal with the needs of mitigation and adaptation. It was also concerned that developed countries are putting more conditions on developing countries for accessing the GCF.

**Belize** speaking for the **Central American Integration System (SICA)** supported the call for discussions on the legal implications of the 2015 agreement. On INDCs, it stressed the need for balanced treatment of all the elements of the ADP mandate in accordance with the Convention's principles, provisions and relevant COP decisions.

**Costa Rica** for the **Independent Association for Latin America and Caribbean (AILAC)** urged Parties to consider ideas for the new agreement that allow for progressive increase of ambition over time without requiring new rounds of negotiations or ratification.

**The European Union** said it expected all Parties including major and emerging economies to come forward with their INDCs by early 2015 and adopt a decision in Lima to ensure comparable commitments. The decision, it said, should provide for an international process to consider and analyse

the INDCs presented, to take stock of the aggregate level of ambition in relation to the 2°C objective and which also allows Parties to present why their contributions are ambitious and fair. It said that the INDCs should be quantifiable, transparent and comparable as to the mitigation contribution. It called for particular focus on the role of INDCs in the operationalisation of CBDR-RC; on MRV, cycle for regularly strengthening mitigation by all Parties. While welcoming the non-paper on the 2015 agreement, it said a number of EU positions were not reflected. It however saw the beginning of convergence of views from recent meetings and submissions by Parties. It also called for a simple and concise document in this regard.

**Australia** speaking for the **Umbrella Group** said the first priority to advance work is for Parties to prepare clear, quantifiable contributions and to clarify those contributions to aid understanding well in advance of the Paris COP. It saw upfront information and *ex-ante* assessment as the process to build confidence and to fulfil the Convention's overall objective of reducing emissions. The TEMs showed that countries can build enabling environments and focus on cooperation of the international, sub-national and private sectors together. It also said the ADP must build a common legal platform taking into account national differences and promoting efforts for each country's circumstances but not to perpetuate a divided world view (referring to Annex I and non-Annex I differentiation).

Representing the **EIG, Switzerland** said it was ready to work on the draft texts and supported having a decision on INDCs here in Bonn. It also supported a multilateral process on INDCs starting from the first quarter of 2015 that is facilitative, non-intrusive and non-punitive and based on CBDR-RC. Each Party's INDC is part of a collective global effort to combat climate change and should allow for clarification to enhance the 2°C goal and for cooperation to close the gap.

### Need for Link between Mitigation, Adaptation and Finance – Say Developing Countries

Bonn, 22 October (Indrajit Bose) – A large number of developing countries said they want to establish a clear link in the 2015 climate agreement between the level of mitigation effort undertaken by developed countries and the support required for resulting adaptation needs. Further, the Alliance of Small Island States (AOSIS) also added that residual loss and damage must be part of the equation.

These views were expressed at a contact group meeting of the UNFCCC's Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) held on 21 October in Bonn, Germany. Parties were discussing how adaptation should figure in the 2015 agreement. The ADP is meeting on 20-25 October.

Discussions on adaptation were broadly categorised on long-term and collective aspects of adaptation, global goal on adaptation, commitments on adaptation, and institutional arrangements, cooperation and coordination. Many Parties also expressed their views on the Warsaw Mechanism on loss and damage during the discussions on adaptation. The morning session on adaptation was chaired by ADP Co-chair Kishan Kumarsingh (Trinidad and Tobago).

At the outset of the meeting, speaking for the **Group of 77 (G77)** and **China, Bolivia** expressed concerns about the process, hoping that they would be addressed early enough. It proposed that all Parties should delve deeper and directly into the negotiations process. 'It is important to listen to each other. We need a more interactive and dynamic process. We need to question. We need clarifications and to look for common ground, even texts, if possible,' said Bolivia. It called for negotiations on controversial issues and not just for Parties to make statements. Bolivia said to guarantee a successful meeting of the Conference of Parties (COP) in Lima at the end of the year, it was crucial to advance as much as possible the different elements of the 2015 agreement.

(The G77 statement was prompted by growing rumbles from several developing country delegates that real negotiations in a formal setting had really not begun as Parties were still expressing their views on issues as they had done before since the beginning of the ADP process, and were not engaged in any text-based negotiations.)

In response to the G77 and China, Co-chair Kumarsingh urged Parties to move into a negotiations mode rather than stating their positions on issues. Later in the day, following interventions on the adaptation issue, Kumarsingh asked Parties to meet informally to discuss and resolve divergent views on the matter in another dedicated room if they so wished, and asked Bolivia and Switzerland to convene the meeting.

In the contact group, stark differences prevailed over the views of developed and developing countries on how adaptation should figure in the 2015 agreement.

While stressing the importance of adaptation in the 2015 agreement, several developed countries noted that climate change affects all countries, and therefore all countries will have adaptation challenges. **Switzerland** was of the view that adaptation should not be linked to mitigation or support, stating that there should be no objective established in the agreement on support for adaptation.

Other developed countries also spoke in reaction to proposals by many developing countries for a global adaptation goal that linked adaptation support to the level of mitigation, stating that adaptation should not be linked to mitigation efforts of developed countries. Several said that a global goal on adaptation could only be qualitative. Many of them stressed that adaptation is a national priority and that countries must share experiences and lessons learnt. **Australia** was opposed to loss and damage being featured in the 2015 agreement.

Developing countries articulated their response clearly and said that they would not settle for such an approach.

**Bolivia**, speaking for the **G77 and China**, reminded the developed country Parties of Article 4.4 of the Convention, which states that: *‘The developed country Parties and other developed Parties included in Annex II shall also assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting costs of adaptation to those adverse effects.’*

(Annex II Parties have commitments to provide financial resources as provided in Article 4.)

**Nicaragua** stressed that there is no need to rewrite the principles and provisions of the Convention and that it is very unfair that developing countries are continuing to carry the burden of climate change.

**Jordan** said that the mandate of the ADP is to enhance action; hence finance in relation to adaptation cannot be a means, but is a key aspect of the enhanced action in the post-2020 world.

South Africa added that there is a relationship between mitigation and adaptation in line with the ultimate objective of the Convention (i.e. ‘stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system’).

Timor-Leste had some strong responses lined up. ‘Some developed countries say adaptation is the responsibility of national governments. We need to speak about the commitments of the developed countries under the Convention,’ it said. To Canada and Australia’s statements that adaptation is a national responsibility, it said that there is also a global responsibility and that is common but differentiated responsibility. Referring to the European Union’s statements on building on past experiences, it said that Timor-Leste had experienced a gap in finance and a long-term adaptation goal would be about filling the gap.

The following are the highlights of interventions that Parties made during the session:

**Bolivia**, speaking for the **G77 and China**, responding to interventions by several developed countries said that it is worrisome that planning in relation to adaptation and reporting are seen as the only obligations they have. Stating that adaptation is an important issue is nothing new. What is more important is to see the elements that will help developing countries to put in place mechanisms to address adaptation needs. Adaptation is an additional burden on developing countries. In the agreement therefore, it needs to be reflected how developing

countries will be better equipped to deal with the issue, said Bolivia. It stressed the link between finance and adaptation and said that there needs to be clear reflection of a financial commitment, which should be over and above that of official development assistance. On adaptation finance, it reminded Parties of Article 4.4 of the Convention.

While the process of national communications is necessary, Bolivia called for additional steps to step up communication. National Adaptation Plans (NAPs) need to allow for needs assessment, assessment of support and monitoring, review and verification (MRV) of support. Bolivia also called for the recognition that developing countries are doing a lot on their own accord to address adaptation.

On loss and damage, it said emphatically that it must be part of the 2015 agreement as it is a reality for developing countries.

Speaking for the **Least Developed Countries (LDCs)**, **Tuvalu** said it is critical that adaptation is a fundamental element in the 2015 agreement. New institutions are required to facilitate adaptation work on the ground. Appropriate means of implementation are required to ensure adaptation efforts are commensurate with requirements on the ground and it is the same for loss and damage. It added that adaptation should be country-driven, gender sensitive, follow a transparent process and should be incorporated firmly in the 2015 agreement. It called on all Parties to produce adaptation plans, and sub-national and local plans where applicable and stressed on the importance of education and public awareness programmes.

Tuvalu called on Annex II Parties to provide financial, technical and capacity-building support to developing countries, especially to the Small Island Developing States (SIDS), LDCs and African countries. It called for the Adaptation Fund (AF) to be incorporated within the agreement and for innovative funding sources to be explored. It also called for an international clearing-house registry to provide information on adaptation technologies and measures. The registry should provide a roster of experts and come up with biennial expert reports, it said.

Highlighting the importance of research, Tuvalu said that it is important to have scientific models to help vulnerable countries and called for a climate change observing system to be established. The agreement should enable development assistance programmes on these measures. It reiterated its call that Annex II Parties provide regular reporting on the support they provide to developing countries on adaptation in the form of biennial adaptation support reports. Tuvalu also stressed that

the loss and damage mechanism should be anchored in the agreement.

Speaking for **the Alliance of Small Island States (AOSIS)**, Nauru said Parties needed to define the relationship between mitigation, adaptation and loss and damage and that the special situation of the SIDS must be taken into account. Climate change cannot be framed as (just) a sustainable development issue for the SIDS; it is a matter of life and death, AOSIS said. It called for enhancing actions on adaptation in the context of the global temperature goal. It called for strengthening existing institutions and for the Adaptation Committee (AC) to be the central institution to deal with adaptation. This must be anchored in the agreement, it said. Loss and damage must be included as a separate element in the agreement and it called for a dedicated time and space to discuss the issue during the current ADP meeting.

Speaking for **the Africa Group, Sudan** said NAPs are an entry point of adaptation actions and that adaptation needs in developing countries strongly correlate to mitigation ambition. It said that the reality of a mitigation goal would define the adaptation needs in developing countries and that it would be interested to understand the logic behind the difficulty of linking mitigation, adaptation and finance. It also underscored the need to operationalise Article 4 of the Convention (on commitments) and said that support from Annex II Parties must be based on agreed accounting rules.

Speaking for **the Independent Association of Latin America and the Caribbean (AILAC)**, Mexico said the post-2020 climate regime presents a 'unique opportunity' to promote action and raise the political importance of adaptation. It appealed for an agreement in which all Parties, as per their respective capacities, reduce climate impacts and vulnerability of people by restricting temperature increase. It called on Parties to address the issue of metrics (in reference to progress on adaptation being assessed through metrics and indicators). It suggested the issue can be addressed by using a set of indicators for marginalisation, reduction in settlements, economic losses, increase in national funding, strengthening of governance, etc. It called for a process to be launched in Lima during COP 20 for assessment of adaptation metrics and indicators. Mexico also called on Parties to share knowledge and experiences on adaptation.

**Costa Rica** also spoke for **AILAC** and called for strengthening of institutional arrangements, effective and enhanced implementation of the Cancun Adaptation Framework. It called for

international funds for adaptation to significantly enhance support for adaptation needs. The AF should be inscribed in the new climate regime and levies from specific financial mechanisms such as the Clean Development Mechanism must be established for adaptation support. It also called for including a levy on any market mechanism for adaptation support. It further called for an adaptation technology and knowledge platform, which should focus on methodologies, metrics and indicators in specific geographic conditions, vulnerability assessments, methods for quantification of non-economic losses and so on. The platform should be included in the agreement, said Costa Rica.

**Nicaragua** stressed that there is no need to rewrite the principles and provisions of the Convention. It said that developing countries must defend their right to sustainable development and that adaptation is a priority. 'We are a highly vulnerable country. If it is not a drought, it is a hurricane,' it said, adding that it is very unfair that developing countries are continuing to carry the burden of climate change.

It called for the right balance in financing and mitigation in the 2015 agreement. 'There cannot be any "ifs" and "buts" here. Adaptation and mitigation are on an equal footing. Anything else is not acceptable,' it stressed.

**China** said that adaptation needs in developing countries in the short and medium terms are the direct result of historic(al) greenhouse gas emissions of developed countries. This is why developed countries should take the responsibility of supporting adaptation activities of developing countries in terms of finance, technology and capacity building, as provided for in the Convention. Thus, adaptation should be addressed in the 2015 agreement as one of the important factors and in a balanced way with mitigation. The elements for adaptation should consider the global goal, finance, technology, capacity building and transparency.

On long-term and collective aspects of adaptation, China said that the global goal should focus on how to set such a goal for adaptation; how to facilitate the implementation of adaptation particularly in developing countries, as well as how to develop common metrics to assess adaptation progress.

It called on developed countries to provide at least US\$50 billion per year from 2020-2025, at least US\$100 billion per year by 2030 to fulfil their commitment under Articles 4.4, 4.5, 4.8 and 4.9 of the Convention. This support should be additional to ODA and should come from public sources, said

China. On commitments on adaptation, China said all commitments for Parties should reflect the principles of the Convention, including equity and common but differentiated responsibilities and respective capabilities.

On institutional arrangements, cooperation and coordination, China said that existing institutional arrangements relevant to adaptation, including the AC, Technology Executive Committee (TEC), Standing Committee on Finance (SCF), etc. should be effectively coordinated, implemented and fully financed. The mandate of the AC should be enhanced to effectively coordinate all activities related to adaptation, including strengthening its linkages with the TEC, SCF and Green Climate Fund (GCF), providing technical support for adaptation project applications from developing countries, and evaluating the adaptation supporting information from biennial reports of developed countries.

On loss and damage, China said that so far there is neither reliable methodology nor sufficient data and integrated model results to develop a working mechanism for loss and damage, and therefore a discussion for methodology could be fully integrated in the 2015 agreement.

**Jordan** said that adaptation should be treated as a matter of collective responsibility even though it is a country-driven process. Developing country Parties' adaptation actions should be supported by developed country Parties in terms of financing, technology and capacity building. The 2015 agreement should include common as well as individual commitment on adaptation, it said.

On individual commitment, it said that developed countries must implement adaptation actions in their own countries as well as support adaptation in developing countries. Developing countries should formulate adaptation plans and implement adaptation action, build on existing mechanisms and processes for NAPs and National Adaptation Programmes of Action (NAPAs) with support from developed countries.

On institutional arrangements, it said that while existing institutional arrangements should be furthered, new arrangements should be added, including a registry to record national adaptation actions/programmes to ensure that all interested developing countries are able to formulate and implement NAPs. The mandate of the ADP is to enhance action, so finance for adaptation is not a means but one key aspect of the enhanced action for post-2020, it said.

**Brazil** said it is redundant to talk about the importance of adaptation as it is already in the

Convention. It underscored that for the 2015 agreement to be effective, developing countries needed to see how finance will flow from the agreement to effective action on the ground. It liked the idea of a registry and for the need to showcase technologies. It also called for more power to be given to the Cancun Adaptation Framework.

**South Africa** also said that there is a relationship between mitigation and adaptation and it is in line with the ultimate objective of the Convention. This common goal can be made implementable by common commitments and individual commitments, it said. It expressed interest in the LDCs' proposals and added that loss and damage must be a separate part of the agreement.

**Timor Leste** said that adaptation needs to be linked to long-term mitigation measures. 'Some developed countries say adaptation is the responsibility of national governments. We need to speak about the commitments of the developed countries under the Convention ... Canada and Australia say adaptation is a national responsibility but there is also a global responsibility and that is the common but differentiated responsibility,' it said. Timor Leste called for a long-term adaptation goal based on the current mechanism and the Cancun Adaptation Framework is one of them.

Referring to the EU's statements on building on past experiences, Timor Leste said that its past experiences revealed that there is a gap in financing. 'For us, long-term adaptation goal will be about filling this gap – in finance, technology, capacity and other related issues,' it emphasised.

**India** stressed on how vulnerable it is to climate change and added that adaptation is a real and current requirement for the country. It spoke of its dedicated National Adaptation Fund which it has established in the recent past.

India said it is involved in myriad adaptation actions at the national and state levels. However, such efforts fall far short of the real requirements of funds and human resources and would therefore require international funding. It called for complete parity and balance between mitigation and adaptation and said it would not accept any dilution of the importance of adaptation in any climate change agreement.

Pointing to the urgent need to strengthen institutional arrangements supporting adaptation, India talked of the limitations of the AF and said that it has meagre funds and the process is long-drawn. 'Taking into account the current availability of funds and the future prospects of resources, the existing mechanism will not be able to meet even a

fraction of requirement of adaptation activities in the developing countries,' said India. It called for the strengthening of the AF in the 2015 agreement. It added that alternative sources of funds should be considered. The funding for the adaptation component of the GCF should include preparation of a national adaptation strategy with provision to update it periodically.

**Switzerland** said that adaptation is a challenge and every country in the world is facing the problem. Therefore, adaptation must not be seen in the context of dividing the world as developed and developing countries. It added that the adaptation goal should be political and qualitative and should focus on promoting resilience, prioritising and integrating national policies. It said that it was not in favour of a goal linking adaptation to mitigation or to support, adding that finance is only a tool and any commitment on finance should be dealt with separately. While acknowledging the link between finance and adaptation, Switzerland said that each country has to invest resources. 'Some countries need support, not all countries,' it said.

According to Switzerland, adaptation must be a commitment for all and each Party should formulate NAPs as well as policies and commit to mainstream and implement adaptation into its respective policies. Parties must commit to submit national plans. It was also against reference to any new institutional arrangements in the agreement. 'We do not see the need to establish new institutions through the agreement. We need a COP decision to look at the existing institutions and if we detect gaps in them, we develop them through COP decisions,' said Switzerland.

**The European Union** talked of getting into the planning process and called for a dynamic approach to adaptation. The agreement could reflect integration and mainstreaming of adaptation in national planning. It expressed interest in the development of metrics and said that enhancing the process of adaptation is not just a pre-Paris challenge and will extend to well beyond Paris (where the 2015 agreement is to be concluded at COP 21). It added, however, that since the metrics would be so diverse,

they should be set at the national level and not at the international level. It also called for sharing of experience and lessons learnt and for creating a forum on technical expertise on adaptation. It said that discussion on finance is a separate item, and that bilateral assistance provided could be considered for climate proofing.

**Norway** said that it is not in favour of an adaptation goal and like the EU, called for a dynamic approach to adaptation. It called for strengthening institutions and encouraged dialogue and communication among Parties.

**The US** sees adaptation as a core element of the 2015 agreement. On the global goal, it said it is not clear how the goal will be applicable for Parties to implement. Support for adaptation should come from Parties with capacities to support adaptation and this is a requisite for a durable agreement, it said. The US also wanted to know how the registry would be operationalised.

**Canada** expressed that both developed and developing countries are suffering from climate change and spoke of mainstreaming adaptation. It said it is not convinced about a registry and that information can be reported through countries' national communications. It is also against any quantitative goal on adaptation. On financial support, it said that in fast-start financing, adaptation was a priority and finance would be discussed separately. It also said that the provision of adaptation support should be applicable to all and it should not differentiate between developed and developing countries.

**Japan** said it is difficult to set quantifiable targets for adaptation and the nature and role of adaptation is different from mitigation, implying the two should not be linked to each other.

**Australia** said that the 2015 agreement must recognise that adaptation is an important element and a country-driven process, which is a common responsibility of all Parties. Climate change can be tackled if major emitters take action, it said. It called for a COP decision to strengthen existing institutions and the need to share adaptation knowledge. The loss and damage mechanism cannot be part of the 2015 agreement, it said.

### Developing Countries Oppose Efforts by Developed Countries to Depart from Financial Commitments

Bonn, 24 October (Hilary Chiew) – Developing countries were firmly opposed to any attempts by developed countries to depart from their obligations under the UNFCCC as regards the provision of finance in the post-2015 climate agreement.

They also insisted that the provision of finance by developed country Parties to developing countries must be made legally binding in the new agreement to ensure success of the Paris climate meeting next year. Many of them expressed concerns over views expressed by some developed countries that finance was merely a tool to an end, and that financial commitments need not be legally binding in the 2015 agreement but could be in a political declaration or in a decision of the Conference of Parties (COP).

They also expressed grave concern that some developed countries were saying that they could not agree to numerical targets for finance expressed in the new agreement. Instead, developing countries called for a clear financial roadmap with targets, timelines and sources to be defined.

A number of developing countries, particularly those from **LDCs, the Alliance of Small Island States (AOSIS) and the Independent Alliance of Latin America and the Caribbean (AILAC)**, were also of the view that ‘developed countries and those in a position to do so’ should also contribute to climate finance.

These exchanges took place in a contact group meeting of the UNFCCC’s Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) which began in the late afternoon of 21 October and continued on 22 October. Parties discussed how to include finance as an element in the 2015 agreement. The session on finance was presided by ADP Co-chair Artur Runge-Metzger (European Union).

In response to intervention from Parties, Co-chair Runge-Metzger remarked that countries were standing firm on their positions and urged Parties to look for ‘a common landing ground’.

This prompted a highly animated and firm retort from the delegate from China who responded that the ‘landing zone’ is the Convention. He said that if the landing zone was not the Convention, then there should be another ad hoc working group established to rewrite the Convention, as the work of the ADP was under the Convention.

Responding to the explanation of several Annex I Parties that it was impossible to make financial commitments several years ahead due to national budgetary cycle constraints, the Democratic Republic of Congo wondered why it is then not an issue for their commitment to provide ODA at the scale of 0.7% of their GDP.

New Zealand said that for many donor countries, the obligation to quantify finance commitments in the new agreement will not work and this will be a barrier to their participation in the new agreement. This view was shared by other countries including Switzerland, Norway, and Australia.

**Malaysia speaking for the Group of 77 and China (G77-China)** said developed countries shall provide financial support to developing countries in accordance with their continued obligations as per the provisions of the Convention. The US\$100 billion per year by 2020 shall be the starting point for developed country Parties to enhance their financial commitments for the post-2020 period, with a clear roadmap on scaling up the finance, including targets, timelines and sources. In this regard, the financial support should be primarily from public sources and private sources can only supplement it. Finance is a critical element for the post-2015 agreement, for allowing for ambitious intended nationally determined contributions, for having an ambitious outcome, and for addressing the gaps in the current financial architecture and flows.

It stressed the need to operationalise issues of adequacy, accessibility, predictability, sustainability,

transparency and additionality of the provision of finance by developed countries. The 2015 agreement shall reflect the priority of financing adaptation and deal with the gaps in this regard. The G77-China wanted the agreement to focus on utilising the current mechanisms like the Standing Committee on Finance (SCF) and allow for ambitious, sustainable and predictable resources for the financial mechanism, including clear quantified pathways. The Green Climate Fund (GCF) should be strengthened and anchored in the new agreement. It called for the initial resource mobilisation (IRM) of resources for the GCF to reach a very significant scale that reflects the needs and challenges of developing countries to address climate change. It hoped that the IRM will end in November 2014 and would reach US\$15 billion as a start.

**Jordan speaking for the Like-minded Developing Countries (LMDC)** said the 2015 agreement should reflect the principle of common but differentiated responsibilities (CBDR). Developed countries should fully implement the pre-2020 financial commitments, and continue to provide new, additional, predictable, and sustainable funds to developing countries. Both public finance and private finance play important roles. However, public finance should be a major source that leverages a larger scale of private finance. With a fully operationalised GCF, MRV (measurement, reporting and verification) of the provision of financing by developed countries should be enhanced. Finance needs to be used in an effective way, and be allocated in a balanced manner. In order to implement the pre-2020 financial commitments and enhance financial support to developing countries, developed countries need to provide a clear roadmap and timeline of their financial provisions.

To achieve the target of mobilising US\$100 billion by 2020, developed countries should provide US\$40 billion by 2014, US\$50 billion by 2015, US\$60 billion by 2016, US\$70 billion by 2017, US\$80 billion by 2018, US\$90 billion by 2019, and US\$100 billion by 2020. Based on the full implementation of pre-2020 commitments, developed countries need to continue providing financial assistance, make legally binding commitments, and put forward a clear timeline and roadmap for financial provisions beyond 2020, said Jordan.

Unlike commitments made by developed countries, South-South cooperation is voluntary, mutually beneficial, and country-driven collaboration among developing countries. South-South cooperation is free from obliged monitoring

and reporting, and is outside the UNFCCC mechanism.

On institutional arrangements, the LMDC is of the view that the SCF, GCF and the Adaptation Fund need to have a clear timeline and roadmap to further facilitate the sustainability, predictability, and transparency of climate finance.

Due to different financial uses and allocations (e.g. mitigation, adaptation, technology transfer, and capacity building), the GCF could open specific windows for financing for specific areas. The arrangements between the GCF and other bodies under the Convention need to be strengthened. The MRV of financial support should be enhanced to clearly define the definition of climate finance, common accounting rules, and reporting system.

**The Maldives representing the Alliance of Small Island States (AOSIS)** stressed that finance is a fundamental building block of the agreement and must therefore contain commitments by developed countries that need to be scaled up. It should address the gap of the current financial architecture and flow. Both public and private finance has to be scaled up. It believed the Convention is the basis for the agreement and developed countries will have the same obligations. Scale and reliability of the means of implementation is critical to respond to urgent adaptation needs. The balance between adaptation and mitigation is most important in the finance component and effective prioritisation of the most vulnerable is crucial, said the Maldives.

It also called for time-bound financial targets and the need for MRV of support with a common reporting format. The GCF should be the pillar of the new regime playing a central role in the climate finance architecture. It invited Parties in a position to do so to channel a significant portion of post-2020 finance through the GCF and viewed this as an opportunity to rationalise the overall climate finance landscape.

**Tuvalu representing the Least Developed Countries (LDCs)** said the legal outcome must have the singular objective of providing a durable approach to finance which should be needs- and science-based, suggesting developing some sort of matrix along that. It said the GCF should be anchored in the agreement. It was disappointed with Switzerland that said there should be no discussion of pre-2020 finance in the agreement. It said a political declaration is easy but the process needs a faith-building exercise to ensure that finance promised up to 2020 will be realised and scaled up. It said that Parties have to accept that we are no longer in the world of non-Annex I and Annex I,

noting that South-South cooperation needs to be encouraged and embraced. It proposed the following wordings to be reflected along the line of ‘Annex II and those countries in a position to do so’. This does not necessarily interfere with Article 4.3 of the Convention, it said. (Article 4.3 reads: ‘*The developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1...*’)

It said finance should come from public sources with an indicative percentage and MRV of support should be in the agreement. It wanted *ex-ante* and *ex-post* assessment so as to have some understanding of what is going on in terms of financial support. It supported strong inputs from the private sector with a mechanism to leverage that without diminishing the role of public finance.

Tuvalu also echoed Norway’s suggestion on enhancement of readiness and the area of result-based action in REDD-plus. It wanted a mechanism to provide interest-free finance for developing countries to access renewable energy and energy efficiency. The MRV of finance needs to include biennial adaptation support report and specific financial arrangements for loss and damage. It also proposed inviting the International Civil Aviation Organisation and the International Maritime Organisation to establish a levy as a new source of funds. It said there is a need to promote South-South development of technology transfer as developing countries have better understanding of each other’s needs.

Speaking for the **Independent Alliance of Latin America and the Caribbean (AILAC)**, **Costa Rica** said the agreement should include a global goal for the means of implementation (MOI) in order to achieve efforts by all Parties in accordance with CBDR and respective capabilities (RC). It should be complemented by a short-term quantifiable goal to be fulfilled by Annex II Parties as well as by other countries with the capacity and position to do so. It said the quantified goals should be significantly higher than the existing goal of US\$100 billion. It said the fast-start finance exercise demonstrated the usefulness of short-term quantifying goals for finance. Each country should determine their goal while countries with low responsibility and low capacity should receive support.

**China** stressed that the agreement should be based on the provisions of the Convention, including respecting the differentiation between developed and

developing countries. It was concerned that the role of the private sector was overstated. It said combating climate change is a global public good and would therefore require public finance, noting that the private sector is market-oriented and is not reliable to meet future needs. Public finance should play a key role and should be referred in the agreement while private finance can only play a complementary role. It said climate finance is not a donation but a commitment of developed countries and they have no time to reopen the debate. Regarding adequacy of finance, the US\$100 billion should be the starting point to scale up while a clear roadmap is needed to define support in terms of targets, timelines and sources such as US\$110 billion for 2021, US\$120 billion for 2012 and so on and it should be inscribed in the agreement. Upfront information on financial resources to be provided by developed countries should be included in the intended nationally determined contributions (INDCs). On the GCF, China said the initial resource mobilisation should be finalised with substantial pledges by November and the formal replenishment process should start as soon as possible.

Following China’s intervention, Co-chair Runge-Metzger remarked that Parties are standing firm on their positions and urged Parties to look for ‘a common landing ground’.

This prompted a highly animated and firm retort from another Chinese delegate who responded that the ‘landing zone’ is the Convention. He said that if the landing zone was not the Convention, then there should be another ad hoc working group established to rewrite the Convention!

On whether finance is a tool or an end, referring to the Chinese philosophy of ‘yin and yang’, it said that finance could be a tool sometimes or could be an end in itself. According to the Durban mandate, the provision of finance is supposed to be enhanced in the post-2020 time frame.

On whether there should be short-term or long-term finance targets, if developed countries could not say how much they could provide, it asked how developing countries, especially SIDS, LDCs and Africa, take enhanced actions in the post-2020 agreement. There needs to be some roadmap or target for long-term certainty, it added. It stressed that to make progress in the negotiations, concepts that are outside the Convention should be deleted.

**South Africa** cautioned that Parties are supposed to strengthen the implementation and not rewrite the Convention. It expressed concerns over the position of New Zealand and others. It supported the global goal on means of implementation. It

believed that if temperature rise is to be limited to below 2°C, as a guiding principle for finance, this would mean about US\$1 trillion per year. This link needs to be made. It called for the GCF and existing institutional arrangements to be anchored in the agreement, and for a mechanism to ensure predictability of finance based on an agreed percentage formula to calculate Annex II contributions. It also believed that a range of global policies governing resources for mobilising and identification of public sources can be captured in the agreement. There is also a need to enhance MRV of support and a review mechanism to evaluate and redirect resources. It believed strongly in country ownership and actions need to be based on those identified by developing countries according to their priority.

**Brazil** underscored that while all Parties are required to take actions, the full potential of developing countries can only be achieved with international financial support. It was doubtful about having finance support in political declarations (as suggested by some developed countries) and this would be unacceptable for developing countries. It expressed dismay that some developed countries are attempting to rewrite the key provisions on finance in the Convention. It said the agreement should seek to implement and operationalise the support in a sustainable manner by anchoring and strengthening the institutional arrangements. It said developing countries need assurance of the scale and predictability of finance and they cannot be put in a situation where mitigation is dealt with in a quantifiable manner but finance and support are left to the last hour of COP21 (in Paris). It cautioned that we should avoid getting into that situation.

**India** said that the provision of funding to assist actions on the part of developing countries is a measure of the seriousness or otherwise of the developed countries in considering the climate change issue as a genuine common global problem that requires genuine collaboration. That is why financial assistance was enshrined throughout various articles of the Convention and is a clear obligation on the part of the developed country Parties. If we find today that there has been a lack of seriousness or commitment on the part of some Parties to fulfil the obligations that have been taken earlier, it does not inspire confidence. This does not provide any positive indication for any future agreement for the still remaining and the still very important pre-2020 period or the INDCs or any post-2020 arrangement. India stressed that this is clearly a question of political will or the lack of it. Another aspect is the growing emphasis in certain quarters

on the role of private sector finance in discussions on climate change or sustainable development agenda. We are talking about a multilateral agreement between governments. The private sector, by its very nature, moves to generate short-term profits. All countries have national policies in place to attract domestic and foreign private investment. But issues such as climate change adaptation involve a different framework. Since the capacities of developing countries remain limited and the scope of their challenges is still very large, despite all the often misinformed or motivated talk of changed realities, public financial support would be critical in going forward in tackling this with any seriousness, said India.

On the reference to South-South cooperation, India said this is a completely different form of cooperation based on historical solidarity among nations that had faced various forms of exploitation or colonisation. It is completely different from the historical obligation involved in the North-South development assistance. It did not accept any attempts to bring the ongoing South-South cooperation under any framework designed for North-South financial flows.

There has been a suggestion that finance is only a means to an end. The implication being that it is not really an obligation and also, perhaps, that other means are available that could also do the job at hand. India did not know whether there are other means available that will do the job. Otherwise it may have already achieved far greater success in meeting the challenge of climate change. It said further that there continues to be even a lack of clear definition of climate finance, methodologies, data inconsistencies and verification with regard to finance. Besides issues such as capitalisation of the GCF, there continue to be struggles to control the Fund. If there is political will, these issues can be resolved quickly. India said greater political will on the part of developed country Parties is therefore necessary.

**The Democratic Republic of Congo (DRC)** said the provision of scaled-up, predictable, new and additional financial resources will allow developing countries to increase their ability to undertake ambitious mitigation action and to undertake sound and coherent adaptation measures to make them more resilient to the adverse effects of climate change. Therefore, we need to urgently address the scale of finance in the context of the agreed goal of keeping the temperature below 2°C, while allowing for a regular review process of the availability of resources and dealing with issues of their predictability and adequacy. It said burden sharing for the provision of climate finance is to be among

developed country Parties and the biennial submissions from developed country Parties should contain their updated strategies and approaches for scaling up climate finance from 2014 to 2020.

Financing under the Convention should be channelled through the GCF, including for technology transfer and approaches enhancing international cooperation such as joint mitigation and adaptation approaches on forests. However, the GCF should capitalise on the know-how and experiences of existing relevant Funds and may increase its highly anticipated catalytic role by helping finance some of the good projects these existing Funds have in their pipelines.

Enhancing MRV of the provision of financing by developed country Parties will create a virtuous cycle that can allow us to concretely grasp the range of financial means that will allow us to collectively undertake action and close the mitigation gap, said the DRC.

It begged to differ with Switzerland's view that the pre-2020 finance discussion should not be part of this discussion. 'In our view, it is actually essential. We have elephants in Africa and the one thing we have learned through looking at their behaviour is that when they are on a fast course, it is quite difficult for them to make a sharp turn. On the contrary they must make a slow and gradual turn to change direction. And to illustrate this analogy, we have seen how some large elephants in this world of GHG emissions have not been able to make the necessary sharp turn from their 1990 emissions level but could only undertake that turn from their 2005 levels.' In the same sense it is important that countries start mobilising the financial resources early enough to meet the 2020 objective. Otherwise, the finance elephant will not meet the 2020 mark, added the DRC.

It wondered why Switzerland and other developed countries have agreed to a commitment to fund ODA at the scale of 0.7% of their GDP and refuse to do so for an urgent matter such as runaway climate change. How come their long-term ODA commitment does not have a bearing on their budgetary cycles, it questioned. Finance will have a crucial role in enabling the capacity of developing countries in the preparation of their INDCs, said the DRC. It also said that developed countries should provide upfront information in their INDCs on financial contribution in terms of type, scale and pathway and developing countries should also present their MOI needs to achieve their INDCs.

**Guyana** said the differentiation on financial contributions between developed and developing countries is natural as a consequence of Article 4.3

and should not be a source of concern. The provisions of the Convention are not to be renegotiated. Some may choose to contribute but for others it is an obligation. It said definition of climate finance should be anchored in the agreement and the guiding principle is new and additional and not ODA. While it agreed that finance is a tool and not the objective, if we do not have the tool for the job, then it becomes the objective.

It said a robust system of MRV will require tracking of progress and distinguishing between climate finance and ODA. It believed that the US\$100 billion should be anchored in the agreement as a starting point while finance for post-2020 could be an absolute figure or percentage but the key is it needs to be adequate. It also wanted simplified direct access for LDCs and Small Island Developing States and those who are most vulnerable, with the GCF playing a central role.

**Iran** warned that if there is no attempt to enhance action on finance there will be little ambition left in the post-2020 period. The financial mechanism should be made more robust with predictable funding going into the operating entities and Parties must provide a clear roadmap for public finance with specific targets, timeline and sources. It said burden-sharing must be done among developed countries and expressed concern that private finance would mean creating an enabling environment to facilitate investment that requires developing countries to provide greater market access. It reminded Parties that we are here to negotiate strengthening of the Convention and not rewriting it.

On the issue of the timeframe of the short-term quantifiable goal, **Colombia** said it would propose that the cycle and terms of MOI should be linked with the cycle for mitigation and adaptation. To the question on how to integrate the AILAC's proposal on the global goal of MOI, it said there are three components: global transformation goal, short-term collective goal and updating the quantitative number on a regular basis to ratchet up the MOI over time. It should accommodate changing needs and capacity and linking the needs of mitigation, adaptation and finance.

**Nigeria** said the adequacy, predictability and sustainability of climate finance must be subjected to MRV. It hoped to see balanced decisions where countries with comparable levels of responsibility support adaptation and mitigation as part of their fair share in the global effort to fight climate change.

**Bolivia** proposed to strengthen non-market-based approaches by creating a specific mechanism that would include a more holistic perspective of climate change which links mitigation, adaptation

and sustainable development; and the joint mitigation and adaptation for sustainable management of forest.

In response to developed countries, **Egypt** said there should be no separating of mitigation and finance from a legally binding agreement. It welcomed the proposal to build upon short-term and long-term targets for finance but needed clarity on the cycle of finance after 2020. On using GDP as a scale for reference, it is not in favour as this might open the door for reinterpretation.

**Malaysia** was not convinced that the classification as means and ends or tools and objectives is useful for including or excluding issues from the 2015 agreement. Financing is the first and most important means – it facilitates technology transfer, which facilitates adaptation which protects mitigation which achieves the objectives of the Convention. The rationale for distinguishing between voluntary contributions from developing countries and financing obligations by developed countries is evident from Articles 4.3, 4.4, 4.5 and 11.1 of the Convention. Parties need to understand that *respective capabilities* depend on much more than income. They hinge as well on assets and infrastructure, which, income notwithstanding, are limited in most developing countries. If equity is to be rationalised, we need to recall also that sustainable development cannot be achieved without freedom from debilitating debt.

**Norway** did not support a legally binding finance commitment and did not think it is feasible to determine who should contribute and how much. It expects finance to be captured in COP decisions. It said the agreement should include all commitments by all Parties for domestic actions in line with domestic circumstances. It expected all Parties to do the same. It said countries should mainstream climate change into development plans, address fossil fuel subsidies, use market mechanisms and put a price on emissions.

**The European Union** said that private sector finance should be enshrined in the agreement while public finance serves as a catalyst. It will stand by its responsibilities including enhancing its own effort and continue to provide support. It wanted to anchor the crucial role of climate finance in the new agreement where there is a role for all Parties.

**New Zealand** said that all Parties should consider their abilities to support financially and to also help themselves. For many donor countries, the obligation to quantify finance commitments in the new agreement will not work; this will be a barrier to their participation in the new agreement. It stressed the importance of the private sector.

The agreement should acknowledge the changing shape of economic landscape and should have collective commitment by Parties in a position to do so to support those most in need to meet their obligations. In terms of transparency of climate flow, it is the responsibility of Parties that provide and receive. It also said the COP can promulgate a political declaration that takes a form of agreement to shift a percentage of capital flow from brown to green investments.

**Switzerland** said not all elements need to go into the agreement and could be in a political decision, while technical discussions are best addressed through COP decisions. It said that it is important to have a common understanding that finance is a crucial tool but not an objective. Therefore, there is no need to speak about finance in the new agreement; hence, strengthening the tool need not be addressed in the agreement but could be done through a COP decision.

**Japan** said the 2015 agreement should prioritise resources to those who are vulnerable and recognise the significance of private funds to do that. Assistance to SIDS, LDCs and African countries particularly in adaptation should be supported. It said support should come from a broad donor base especially in the post-2020 world.

**The United States** said developed countries will continue to uphold their responsibility under the Convention and will not shift the burden to the private sector. The 50-50 split of resources for mitigation and adaptation as done in the GCF will be reflected in the agreement as well. It said the idea of short-term quantitative goal implies that mitigation is contingent on receipt of finance and only developed countries will contribute going forward. It is however of the view that countries other than LDCs can put forward unconditional contribution. It said we need to pay attention to private sources so that the public sources can mobilise it and lay the groundwork for policies in developing countries for private funding. The agreement should recognise the establishment of an effective enabling environment to build climate-resilient economies and encourage Parties to reduce financing for high-carbon investment and climate-proof their investments.

**Australia** said the agreement should reflect current realities and did not want a legally binding numerical commitment on finance. It said that it is impossible for countries in their budget process to make specific budget commitments years in advance. It also said the agreement cannot set a numerical target to attract the private sector as the private sector cannot be forced to do that, adding that it is the enabling environment that will attract them.

### No to 'Early Harvest' of a Decision on Mitigation Contributions – Say Developing Countries

Bonn, 24 October (Meena Raman and Indrajit Bose) – A large number of developing countries were opposed to viewing 'intended nationally determined contributions' (INDCs) as only being mitigation-focused, in stark contrast to the position of most developed countries.

[After much wrangling, Parties had in Warsaw last year agreed to a decision under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) to 'initiate or intensify domestic preparations for their INDCs, without prejudice to the legal nature of the contributions, in the context of the 2015 agreement'.]

China said that INDCs cannot be focused only on 'mitigation', isolated from the consideration of the provision of finance, technology transfer and capacity-building support. There can be no 'early harvest' by focusing only on mitigation when all elements of the 2015 outcome are 'a package'. Otherwise, this would lead to a rewriting of the Convention, it stressed. This view was shared by the **Like-minded developing countries (LMDC)**.

**Sudan**, speaking for the **African Group**, said that Parties were working under a 'single mandate' as set out in the Durban decision (adopted in 2011) and that work must be captured within 'a single undertaking'.

**Cuba**, for the **Bolivarian Alliance for the Peoples of our America (ALBA)**, said that the INDCs are a component of the 2015 agreement and are to be negotiated in the context and in conjunction with all the elements of the agreement, and not separately. It saw this approach 'as an attempt by a group of countries to negotiate the outcome of an agreement, which Parties have not yet begun to negotiate, by using the debate on the information on INDC as a back door, and as a way of diluting the commitments of developed countries under the Convention'. It referred to the current situation as 'lamentable'.

**The LMDC and China** were also of the view that the ADP workstream 1 should focus on the agreed task of the identification of information accompanying the INDCs and not go beyond the Warsaw mandate. China could not accept what it perceived as a 'changing of goalposts' where the ADP deals with un-mandated issues.

An important exchange also took place on the issue of differentiation among countries. **Singapore** said that the INDC vehicle was the chosen path to resolve many difficult issues, including the most sensitive one of differentiation. It allows Parties to 'self-differentiate'.

**South Africa** said that the issue of differentiation has to be cracked. The world has changed but it has also changed not always for the better. It said that there should be no binary division (between Annex I and non-Annex I Parties) but questioned if there could be 'self-differentiation without any boundaries'. It believed that there should be one decision – the INDCs with the elements of the 2015 agreement as INDCs are an integral part (of the latter).

**Brazil** also expressed concern about the free-for-all approach and said that the differentiation aspect has to be very clear to avoid backsliding. The decision has to be clear on what is expected out of developed countries, as it is important for political balance. It clarified that it is not advocating a binary approach, but saw it as a 'concentric differentiation' approach.

Most of the developed countries stressed that the INDCs should be focused on mitigation, with some countries like Canada expressing that they should be 'unconditional'.

These views were expressed at the contact group meeting held under the ADP on 22 and 23 October in Bonn, Germany. Co-chair of the ADP, Kishan Kumarsingh (Trinidad and Tobago), drew the attention of Parties to a draft decision text by the

Co-chairs on the INDCs and sought feedback from Parties on how to improve the text.

Speaking for **the LMDC**, Argentina iterated that it had submitted a conference room paper (CRP) in June this year, which deals with information on the INDCs. Preparation of INDCs is not an independent task or another additional process and it is certainly not an end but a means to achieving the end, which is the 2015 agreement, it said. Provisions of the new agreement should focus on enhanced action for the implementation of the Convention after 2020. INDCs should be discussed within the context of elements and the information should be linked to the elements, stressed Argentina.

It said that any outcome in Lima should be consistent with agreed tasks in Warsaw, which is to focus on the information that is needed to be provided. Argentina also commented on the Co-chairs' draft decision and asked for the title of the document, which was *'Intended nationally determined contributions of Parties in the context of the 2015 agreement'*, to be changed. It said that the title of the draft decision must refer to the information to be provided in relation to the INDCs. The title goes beyond the Warsaw mandate, which referred specifically to information provided by Parties when putting forward their INDCs.

It added that Annex I Parties should give information on their respective mitigation targets as quantified emission limitation and reduction objectives for the post-2020 period; Annex II Parties to give information on their respective commitments for the provision of finance, technology transfer, and capacity-building support for both mitigation and adaptation to developing countries for post-2020; and non-Annex I Parties to give information with respect to their nationally-determined contributions with respect to, as appropriate under their national circumstances, the implementation of the Convention, along with information on the support needed from Annex II Parties with respect to such contributions.

Speaking for **the African Group**, Sudan said that the work of Parties is with respect to the mandate of the Durban decision and the chapeau in the Warsaw decision puts into context a negotiations text for the 2015 agreement and INDCs. 'We see it as a single mandate,' it said and added that Parties need to engage on how they capture the good work done so far within a single undertaking.

On the draft decision, it said that there is precise and definite language on mitigation (reflected in paragraph 5) whereas adaptation is cited as being optional (in paragraph 4). It said that in the operative paragraphs of the draft decision, there is no reference

to finance and technology support, which is a commitment that developed countries are obliged to undertake. It reiterated that adaptation obligations are clear in the Convention. All countries are expected to plan for adaptation as their contribution to the global effort, with developed countries expected to provide support. It said that a clear reference to developed country obligations would be appropriate, which would be in line with the information outlined in the eighth bullet point and the last three bullets of option 1 in the annex on information on adaptation.

(The eighth bullet talks of adaptation needs and the last three bullets are: Delivery mechanism, channel for the support by Annex II Parties; sectors and geographies covered by the various types of support by Annex II Parties; and indicative timeline for provision of support.)

Referring to the annex of the draft decision on information on means of implementation, Sudan noted that the information listed in option 1 was a useful starting point in reflecting the support dimensions of INDCs (Option 1 has 10 bullets on information on means of implementation). It said that developed countries should therefore communicate INDCs for support outlining the magnitude, type, sectors supported, and timeline on the basis of agreed accounting methodologies. It said that some developed countries have expressed difficulty in communicating financial pledges for the medium term to long term, but it was of the view that representation of indicative metrics such as percentage of or percentage of GDP for climate finance could be useful for the long term, with actual dollar amounts for the short term in line with their budget cycles.

Sudan also said that several issues need to be clarified in relation to the process for considering the INDCs, in terms of the communication, consideration and final inscription of the contributions.

Referring to paragraph 7 of the draft decision, it said the aggregation of effort relative to the temperature goal (1.5°C) is appropriate. The paragraph should include an adaptation perspective where the needs and costs associated with the temperature implications of the level of ambition are assessed, which has a relationship with the finance, technology and capacity-building needs.

(Paragraph 7 reads: *Requests the secretariat to make publicly available on the UNFCCC website the intended nationally determined contributions as communicated by Parties; compile these contributions into a miscellaneous document; and summarize, in a technical paper, the aggregated*

*effect of the contributions relative to the 2°C goal, the fairness of their relative efforts and the level of ambition of the contributions for consideration by the Ad Hoc Working Group on the Durban Platform for Enhanced Action.)*

It noted that the adaptation contribution of developed countries should be assessed against the needs expressed in the National Adaptation Plans (NAPs) and any other needs assessment processes. It also underscored that Parties' work is under the Convention and said that in addition to equity and common but differentiated responsibility in the chapeau, reference to the Durban decision, including all its elements (mitigation, adaptation, finance, technology development and transfer, transparency of action, and support and capacity-building), would be helpful. Referring to the deadline for INDCs submission by 31 August 2015, it said this posed a challenge to some Parties.

Referring to paragraph 5, Sudan noted the importance of interpreting temperature scenarios to adapt as well as that of means of implementation. That would bring balance to the paragraph, which is not just about mitigation.

*(Paragraph 5 reads: Notes that the information communicated by Parties on their intended nationally determined contributions should enhance the understanding of whether the aggregate effect of all the Parties' efforts is adequate to hold the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels and also consistent with the latest scientific information as documented in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, as well as how individual contributions are ambitious, equitable and fair based on Parties' national circumstances and capabilities.)*

For paragraph 7, reference to adaptation will be useful in terms of aggregated implications of adaptation needs with respect to the temperature goal, it said.

On the annex, Sudan added that information required by Annex I Parties could be separated from the information required by non-Annex I Parties and they had submitted a proposal to that effect. Sudan also wanted to know how Parties' work would be captured.

Speaking for **the Least Developed Countries (LDCs)**, **Tuvalu** said that reaching a conclusion on INDCs is critical for LDCs. It indicated that INDCs should primarily focus on mitigation and they are looking for certainty that the 2015 agreement would deliver on bridging the mitigation gap. It also sought clarification on how adaptation and means of

implementation would be incorporated in the 2015 agreement and this needs to be considered in the INDC process. It said that there were suggestions of cycles for mitigation contributions that could be a precursor to an MRV (measurement, reporting and verification) process in the future. If that is the case, Tuvalu needs assurance that there will be such a process for adaptation too.

'We do not want any new reporting burden,' it said, referring to INDCs and called for differentiated reporting requirements. It said that it would be able to produce qualitative INDCs. Tuvalu also wanted to know about INDCs for adaptation and what they would look like. If LDCs are not able to provide INDCs for adaptation, they would lose out.

Referring to the draft decision of the Co-chairs, Tuvalu said that the draft decision mentions that Parties 'may' produce INDCs. It called for a process that should be clear to say all 'shall' do it or not do it. It also said that the draft decision did not provide any specifics on how INDCs would be reviewed before Paris. 'We need a facilitative review process that is not threatening,' it said. It also wanted to know what would be the next steps if it were found that the contributions are not adequate in meeting the temperature goal. It said that it had more questions than answers as regards the INDCs.

**Tuvalu** said further that 'if we are going to have INDCs on adaptation, it's an indication of how Parties will contribute to help other countries meet their adaptation needs, not what you are doing in your country'. It called for predictable support for adaptation besides the assurance that adaptation is properly treated in the 2015 agreement. To developed countries' iteration that adaptation contributions would delay things, Tuvalu suggested a longer-term submission for adaptation. 'We need clarity on how we will resolve adaptation so that one train (mitigation) does not reach the station before the others,' it said.

Speaking for **the Independent Alliance of Latin America and the Caribbean (AILAC)**, **Costa Rica** stressed that INDCs should include mitigation, adaptation and means of implementation. Referring to INDCs as vehicles for action, Costa Rica said mitigation, adaptation and MOI are different and this difference must be reflected in the design of INDCs. It called for mitigation contributions to be transparent and comparable, while reflecting equity and CBDR (common but differentiated responsibilities). It added that middle-income countries could focus on their own investments to support themselves and others while LDCs, SIDS and other vulnerable countries should be major

recipients of support. It added that the presentation of information should not be a burden, but should help enhance domestic action.

On contributions on adaptation, Costa Rica said that these should reflect individual country efforts that contribute to a global goal on adaptation. It said that adaptation is a commitment under the Convention and this should be enhanced. It is not in favour of *ex-ante* assessment on adaptation.

Speaking for **the Alliance of Small Island States (AOSIS)**, Nauru said while mitigation should be the core of the INDCs, it must be ensured that all elements of the 2015 agreement are addressed in a balanced manner. It called on Parties to submit INDCs in a clear, transparent and measurable manner, in line with the long-term goal. It stressed that the numbers need to be assessed with respect to the global goal and called on developed countries to show leadership.

**Cuba, for the Bolivarian Alliance for the Peoples of our America (ALBA)**, said that the INDCs are a component of the 2015 agreement and are to be negotiated in the context and in conjunction with all the elements of the agreement, and not as a separate piece. It saw an attempt by a group of countries to negotiate the outcome of an agreement, which Parties have not yet begun to negotiate, by using the debate on the information on INDC as a back door, and as a way of diluting the commitments of developed countries under the Convention. It referred to the current situation as ‘lamentable’.

‘Our agreed task from Warsaw was clearly limited to the information INDC could contain, and Parties will provide when putting forward their INDC,’ it said. Cuba asked of the Co-chairs to refrain from controlling the drafting of the outcome and to allow Parties to collectively construct it. It called on Parties to begin immediately a Party-driven negotiation process of the 2015 agreement and to consider INDC in that context. It also asked for the Warsaw mandate to be respected and to negotiate and produce an outcome on the information on INDCs that did not go beyond Warsaw and to remove all references to an *ex-ante* process of evaluation and to any other elements not consistent with the mandate. It stressed that INDCs shall be about all the elements of the agreement, including adaptation and means of implementation (MOI), presented in a differentiated manner according to respective obligations of developed and developing countries as expressed in Article 4 of the Convention. ‘Particularly, clear and transparent information from developed countries on MOI is key to reach a balanced agreement in 2015,’ it said.

**China** said that INDCs are not an end but a means to an end, which is the adoption of the agreed outcome in 2015. The INDCs should be considered in a balanced manner and in the context of the elements of the 2015 agreement. It could not agree on making the INDCs focus on mitigation at first and to deal with other aspects later with very poor prospects, in particular on the provision of finance, technology and capacity building to developing country Parties. There is no ‘emerging understanding among Parties’ in this regard as described in the Co-chairs’ scenario note, said China. This approach will make mitigation isolated from the finance, technology and capacity-building support, leading to the rewriting of the Convention. There is no ‘early harvest’ and ‘they are a package’, it stressed.

In contrast, said China, it heard that all developed countries are willing to make financial contributions after 2020 and it is this consensus that should be captured. The INDCs are not a new process beyond the existing workstreams of the ADP. The nature of INDCs is nationally determined, but Parties have to prepare their INDCs in accordance with the principles and provisions of the Convention. The purpose of the information is to facilitate the clarity, transparency and understanding of the contributions. The information is a transparency issue, which could be discussed under the element of transparency. The ADP workstream 1 should focus on the agreed task of the identification of information in line with paragraph 2(c) of the Warsaw decision. The title and content of this outcome should be only related to ‘information’ and not ‘INDCs’. China could not accept the changing of goalposts again, and overburdening the work of the ADP with un-mandated issues.

Referring to the ‘so-called *ex-ante* assessment or consultation’ or consideration of INDCs, it said that if it’s an issue related to ambition, it could be discussed in the context of elaborating the elements for a draft 2015 agreement as Parties had agreed in Durban that the ADP process should raise the level of ambition (referring to para. 6 of decision 1/CP.17).

China said that there is no need to reinvent the wheel on identifying the information, which should be built on the existing reporting arrangements under the Convention and the Bali Action Plan. The contributions should be in accordance with Parties’ respective commitments under Article 4 of the Convention, and the information should be in accordance with the CBDR principle between developed and developing countries. It said that the full scope of information in the Co-chairs’ text was in line with its understanding, but the information

on finance, technology and capacity building needed to be further elaborated.

It said that some items listed in the annex regarding the information required are difficult for developing countries to provide, such as ‘percentage of total emission covered’, ‘international market’ and ‘land sector’ as well as ‘peaking year’, which will make their domestic preparations complicated and prolonged.

On the consideration of the INDCs and their *ex-ante* assessment, China said that besides the mandate problem, there are other reasons why this should not be addressed. It referred to time constraints, given the need to focus on the 2015 agreement. It was also worried that the so-called ‘en-ante process’ would give Parties a hint that they can provide less ambitious contributions at first and increase or adjust them after this *ex-ante* period. It was also not practical and inequitable to consider the mitigation ambition merely, without the information on finance and technology support by developed country Parties.

**Saudi Arabia** referring to the Warsaw decision said that the ADP’s mandate is to look at international cooperation and those elements would be a top-down type of elements. It highlighted that without completing discussions on all the elements of the 2015 agreement, Parties had moved on to discussing INDCs, which is about nationally driven actions. It added that the scope of INDCs still remains a big question. Parties would not reach ambition if they talk only about mitigation, it said, adding that in Lima, Parties are mandated to talk about the information they will provide while putting forward their contributions. It said that Parties have begun national processes in preparing their INDCs and any decision in Lima will have ramifications on the domestic processes. It said that the Warsaw decision did not state that there needs to be a decision on the information to be identified for the INDCs to be in a COP decision.

**India** said the nationally determined contributions (NDCs) are to be nationally determined according to national circumstances. While all Parties have agreed to put forward the NDCs, the nature of the NDCs has to reflect the fundamental differentiation under the Convention. It added that Parties are mandated to elaborate the information required for the presentation of INDCs. However, it did not agree that Parties could separate the discussions on NDCs from the wider elements and how these elements will be reflected under a post-2020 outcome. It said that an *ex ante* consultation process is neither mandated nor feasible. Such

suggestions are very likely to be counterproductive to their stated aims and undermine the seriousness of the large-scale efforts that are required to be undertaken and are being undertaken by sovereign nations in preparation of their INDCs.

It reminded Parties that the seriousness of action on pre-2020 ambition would undoubtedly impact the mutual trust among Parties even as they draw up their INDCs. ‘We have also heard references to changed realities in this discussion, a term which keeps cropping up without due explanation. We would like to draw the attention of the delegations, which make these references, to the UN assessments about the worldwide extent of extreme poverty and about the countries that continue to face such serious and massive challenges despite their considerable recent success in bringing growth and development to their peoples. The task of such countries is not made easier by any facilitative international environment as they attempt to alleviate extensive poverty in a matter of a couple of generations,’ it said. Such uncomfortable realities do not confront the developed country Parties and that is the reality that led to the nature of the Convention, it said.

‘That is the reality that we continue to face in the developing world. We are certainly not here to renegotiate the Convention,’ India said firmly. Despite these stark realities, the developing countries are undertaking massive efforts to manage the climate change impacts and building more sustainable development pathways, it told Parties.

India called for a pragmatic, equitable and collaborative approach by Parties in these discussions so that there is genuine forward movement in the global action on mitigating emissions and adapting to climate change. Any outcome will be sustainable over the long term only if the broad concerns of all Parties are addressed in an equitable manner that incentivises and encourages universal participation.

**South Africa** believed that there should be one decision – the INDCs with the elements of the 2015 agreement as INDCs are an integral part (of the latter). It said that the issue of differentiation has to be cracked. The world has changed but it has also changed not always for the better. It said that there should be no binary division (between Annex I and non-Annex I Parties) but questioned if there could be ‘self-differentiation without any boundaries’. Self-differentiation would not allow for keeping temperature levels to below 2°C. It also said that there is a need to understand if the INDC decision is a one-off instrument, never to be used beyond 2020. It asked if the instrument was to kick-start the process to get numbers on mitigation targets on board. The

main problem, said South Africa, is the constant refrain that INDCs are only about mitigation and everything else is voluntary.

It also had problems with the Co-chairs' draft decision annex on information, which had no format and allows for self-differentiation. There is no (provision for) comparability. It wanted a tabular form. It also stressed that the information for adaptation and mitigation would be different with different time frames. It said that there was a lack of differentiation in the information and seemed like 'one size fits all'. South Africa emphasised that there should be no backsliding of commitments.

**Brazil** said that it sees INDCs as the bottom-up element of the work whereas the agreement is top-down. 'If we take the vehicle analogy, we see INDCs as the train and the agreement as the station. We have the right timing and right passengers to reach on time,' it said. It called for clarity on the idea of what is to be done while working on the elements. INDCs are not a one-off thing and should be given time. It said that Parties should not focus on getting INDCs absolutely right at the first go and Parties should have the ambition of continually improving the INDCs. It added that ambition itself cannot be measured in mitigation alone and called for a broader scope.

On the Co-chairs' draft decision text, it suggested adding a paragraph with reference to finance and technology transfer. 'Means of Implementation are absolutely important and we should spell them out,' it said.

Brazil also expressed concern about the free-for-all approach and said that the differentiation aspect has to be very clear to avoid backsliding. The decision has to be clear on what is expected out of developed countries, as it is important for political balance. It clarified that it is not advocating a binary approach, but saw it as a 'concentric differentiation' approach. Under the approach, Annex I countries should present absolute targets in relation to base year; non-Annex I countries would choose targets or actions from an array of options. It called for a concentric approach on finance too, where non-Annex II countries could include South-South initiatives. Brazil said this would serve as a base to broaden support while respecting the principles and provisions of the Convention. It said the aggregate contributions process should be strong and based on science and equity. Things should not be done in a rush and Parties must ensure a solid foundation in science, fairness and equity.

**Singapore** said that the INDC vehicle was the chosen path to resolve many difficult issues, including the most sensitive one of differentiation.

It allows Parties to self-differentiate. This is a new approach Parties chose because they wanted to do things better than they did before. 'This is the first universal agreement in which all Parties will make a contribution, no matter how small, towards the ambition of our 2°C goal. We need to update our conversation around this uniting factor,' it said and added that while the INDC is the central component of the agreement, the agreement and the ADP mandate are larger than the INDC exercise. It said that it seemed as if Parties are trying to transpose their old demands onto this new NDC (nationally determined contributions) vehicle.

In Warsaw, Parties recognised that the NDC approach was untested. Then Parties agreed to table these INDCs before finalising the agreement. Parties had decided that their contributions are to be nationally determined. 'The insurance that we have is that these NDCs will be scrutinised. If you don't make your best effort, you live with the consequences of that,' it said. Hence the most important part of this exercise is to get INDCs on the table in 2015. Singapore said its preference lies in making the exercise easier. The exercise to identify upfront information is 'without prejudice to the legal form' of the INDCs.

Many developing countries are nervous about their INDC preparations, said Singapore. They do not have clarity to prepare for this. 'By arguing about what can or cannot be in an NDC, we are undermining the nationally-determined spirit. More importantly, we are undermining universal participation.' It appealed to Parties that when they made demands, they must consider whether they are perpetuating old differences. It called on Parties to de-politicise the process of information because the risk was losing the whole agreement.

**Venezuela** said it is a fact that Parties are working under an internationally agreed Convention, which has Annex, I, Annex II and non-Annex I (Parties). It reminded Parties that no one size fits all, especially when the MOI are meagre or simply not there. Clearly context is important and we need to have a place to examine them, it said.

It stressed the need to grasp that people live in a global ecosystem that has complementary relationships that provide robustness to many natural systems. It said that the sustainable development paradigm can come from the concept of adaptation to climate change. Referring to an embryo that needs to grow from a seed, it said the nurturing of this seed requires funding; funding for mitigation and adaptation. Can our mitigation/adaptation embryo survive, it asked, saying that this complexity is represented by the elements that have been identified

in the Convention and further identified in the Warsaw decision, namely the need for finance, transparency of support thereof, capacity building, loss and damage, technology development and transfer. 'This allows for strengthening and growth of our embryo. We cannot pull apart our embryo, it needs all its components to live,' said Venezuela.

**El Salvador** said mitigation should not be the core of the agreement and stressed that capping temperature at 2°C would mean a 3-4°C rise in tropical regions, which would have very severe impacts. It added that those who liked to speak about reality must realise that the world has changed since 1992, partly because those who were supposed to comply had not done so. It said that adaptation and finance have to be part of the agreement and said that financing by the private sector will not help in adaptation because the private sector will look for profits at the end of the day. On differentiation, it said that it should be in line with the principles and provisions of the Convention.

**Ecuador** reiterated that the specific mandate for COP20 needs to be looked into, which only talks of information on INDCs to be presented. It stressed that the CRP by the LMDC must be the basis for negotiations.

For **the Solomon Islands**, loss and damage must be anchored in the agreement. It stressed on the need for the negotiating text to include a section on means of implementation and asked Parties with historical responsibility of causing climate change to show strong leadership. There should be no backsliding, it said. It also stressed the need for developing countries to have financial support, not only for the preparation of the INDCs but also for its implementation.

Supporting the LMDC, **Nicaragua** said developed countries were downgrading adaptation and were reading the COP decision (Warsaw) only to their benefit. Once more, the developed countries are seeing what is their interest and how it will prevail, it said. The INDCs cannot only focus on mitigation; they must focus on all the elements, including adaptation, finance, technology transfer and capacity building. Warsaw mandates them to provide information and Parties should stick to that, it said, adding that the LMDC had made a submission and it would be good to get into formal negotiations mode with further submissions by Parties.

**Tanzania** said INDCs are important to enhance the implementation of the Convention. It said that INDCs should cover adaptation as well as MOI. It affirmed that without adaptation one could not talk about poverty eradication or sustainable development and thus meet the objective of the Convention. It

sought clarity on the next steps after the INDCs are submitted and said that it did not want any additional reporting burden. It said that there is a direct relationship to implementation and announcement of INDCs. It reiterated that the LDCs should not be burdened by the draft decision. It also called on the developed country Parties to turn their INDC pledges into commitments and targets for that would send the leadership signal on their part.

**Nigeria** sought clarification on when Parties would begin to negotiate a text. It added that some of the countries in Africa are still grappling with what should be the contents of INDCs and that only a few members would have started the exercise, if at all.

**The Democratic Republic of Congo (DRC)** said that INDCs should not only be mitigation-centric, but should also encompass adaptation, finance, technology development and transfer and capacity building. 'The end of the Kyoto Protocol is looming large, giving way to the pre-eminence of a bottom-up mitigation-only approach on INDCs that, if not managed in a balanced and equitable manner, may result in least-effort mitigation efforts from Annex I Parties and increased pressure on non-Annex I Parties to close the mitigation gap, it said. 'However, for developing countries to enhance their mitigation actions without the commensurate means of implementation from developed countries will constrain their sustainable development, poverty reduction and climate adaptation prospects,' according to the DRC. For many African countries, INDCs are currently blurred with a cloud of misinterpretation and lack of clarity. 'One way to elucidate that cloud is to get into a formal Party-driven negotiations mode that will allow us to provide, in a transparent and inclusive manner, specific texts reflecting our views and interpretation of INDCs,' it said.

**Kenya** said that it had similar concerns as China and Saudi Arabia. It said that the draft decision was mitigation-centric and prejudices the scope of the INDCs. It was not useful unless it is comprehensive, it added. Adaptation and mitigation are not interchangeable, said Kenya. It stressed that finance is linked to implementation of the contributions.

**The Marshall Islands** said there is a common commitment to mitigate emissions. When the contents of the INDCs are ready to be inscribed in the Paris protocol, they will become a commitment. 'We want to know you will do what you say you will do,' it said. The Marshall Islands expects major emitters to submit their INDCs by 2015 and informed Parties that they have a strong desire to stick to the timeline. INDCs brought forward must be clear and

transparent. The only way to get below 2°C is to address mitigation, it said. Parties have a clear political task for the new agreement and yet Parties are spending too much time on the scope of INDCs, it said. It called for a clear process to measure how the INDCs match up to meeting the 1.5 or 2°C goal.

**Bangladesh** said it is in favour of a cut-off date on submission of INDCs and sought clarity on which Parties would be the frontrunners in submitting their INDCs by the first quarter of 2015. It also sought clarification on how the contributions would respond to equity and science in relation to the global temperature goal. It said there is a need for adequate *ex-ante* consultation before the contributions are finalised and warned that there should not be any backsliding.

**Mexico** said that while mitigation should be part of INDCs for all Parties, adaptation should figure too. It is necessary to ascertain progress with respect to the temperature goal of 2°C and it called for a facilitative consultation process on INDCs. Referring to paragraph 7, which also asks the Secretariat to assess the fairness of efforts, Mexico called for clarity on what criteria should guide these efforts.

For **New Zealand**, INDCs are to meet the Convention's ultimate objective and therefore must address mitigation. The achievement of the ultimate objective of the Convention would be jeopardised if mitigation contributions could be interchanged with adaptation contributions, it said. It called on Parties to submit their INDCs by the first quarter of 2015, adding that submitting INDCs well in advance would leave time for some scrutiny. It said upfront that it did not subscribe to a bifurcated approach and that the Annexes are out of date. It said that Parties had agreed that they would take action based on their 'national circumstance'. This includes where Parties sit on the 'development spectrum'. While agreeing that adaptation needs to be dealt with political parity as with mitigation, it said that there were many ways to do this without adaptation being included as an INDC.

It provided detailed comments on the Co-chairs' proposed draft decision on INDCs. It said that there is no need to recall Articles 4, 7, and 12 of the Convention (these articles correspond to Parties' commitments including CBDR, establishing the COP, establishing the subsidiary body for implementation and communication of information related to implementation). It said it does not support selective quoting of principles, especially that of equity and CBDR. It said it would not accept CBDR without the mention of 'respective capabilities' and called for all of these to be substituted with 'in accordance with national circumstances'.

New Zealand wanted the paragraph on INDCs on adaptation deleted (paragraph 4 of the Co-chairs' draft decision). Referring to paragraph 5, New Zealand wanted reference to INDCs being quantified or quantifiable. It was also not convinced about use of the word 'equitable' in the paragraph. For New Zealand, equity is not the right concept; it is merely a political assessment of where a country sees itself in the larger scheme of things. It said fair share should be the principle in putting INDCs forward. In relation to paragraph 7, it said that it was not the role of the Secretariat to address the 'fairness of their relative efforts' and wanted this deleted.

Referring to the annexes of the draft decision, New Zealand said that it could stop at information relating to mitigation. (The annexes proposed in the Co-chairs' draft decision include information related to adaptation and information related to finance, technology and capacity-building support as well.) It suggested that there should be information provided regardless of the commitment type and gave examples such as the type of mitigation; time period; quantification where relevant; if applicable could refer to annual reductions in emissions intensity; expected use of international market mechanism; or additional mitigation achieved with additional support. Instead of reference to the peaking year, it suggested use of the words 'a long term trajectory'. It said that there may be value in having a short narrative on how contributions would contribute to a fair share of effort in the context of national circumstances.

New Zealand also asked if Parties could deal with upfront information on mitigation only and do so without deciding on the scope of the INDC. In an apparent reference to Saudi Arabia's intervention, it asked if one could look for other sorts of domestic efforts without making mitigation and adaptation fungible.

According to **the European Union**, Parties had said it is central to adopt a decision in Lima on upfront information on INDCs; INDCs are to be brought forward by March 2015 by those with greatest responsibility and capacity according to different commitment types. The upfront information has to ensure that contributions are transparent, quantifiable and comparable. The INDCs should be about mitigation and there should be a process that allows for increasing the scope in ambition over time. INDCs must be seen as achieving the ultimate objective of the Convention; there should be an international process to consider how INDCs bring us closer to the temperature goal, it said.

On the international process to consider the INDCs next year, the EU said that there would be a

very active international debate on the shortfall (in relation to the mitigation ambition) and where Parties need to be, and it is inconceivable that this is not debated in the UNFCCC. The Secretariat could compile the contributions and have a technical paper and there could be panels or workshops with questions and answers starting with those with the largest emissions. International organisations and non-state actors could present their findings and Parties can be invited to answer questions online. Parties can explain why their contribution is fair and objective indicators can be used. However, these indicators cannot be negotiated but information on the indicators used to formulate the contribution could be provided.

On the differences it saw among Parties, the EU said it had heard that adaptation and finance are key issues, but it had also heard that INDCs do not work well in areas other than mitigation. If there are adaptation contributions, they could become a reporting burden and it would be challenging to prepare anything other than mitigation contributions, given the limited timeframe until the submission date of the contributions. It also said that contributions will become commitments and it did not see adaptation contributions to be international commitments.

The EU said there is a need to sum up information on technical issues for clarity on land use, use of international carbon markets and baselines around business-as-usual emissions. It said one needs upfront information on the approaches to the land sector, the accounting mechanisms, the reference levels etc. On markets, it wanted information on how double counting is avoided and what percentage of total emissions would be covered by international carbon credits. Referring to the Co-chairs' draft decision, the EU said that all major and emerging economies should stick to the timetable to turn in contributions by the first quarter of 2015.

**Canada** too said that mitigation must be the focus of INDCs to meet the ultimate objective of the Convention and stressed the importance of 'national circumstances'. It said that INDCs should be about mitigation, and that Parties must put forward their mitigation contributions that are 'unconditional' and in line with their capabilities and circumstances. It also said that contributions are nationally determined and there is therefore no negotiation on the Parties' efforts. It further said that the 'world expects that we will demonstrate that we have closed the ambition gap'.

Supporting New Zealand's intervention, Canada said that annexes as they exist in the Convention are not reflective of the post-2020 reality

and it could not support a 'binary approach' (of Annex I and non-Annex I Parties).

**Australia** asked what happens when INDCs come forward and how prescriptive they would be. It said that INDCs are a 'precursor' or a 'pre-process' prior to concluding the 2015 agreement. They are not intended to determine the full scope of the agreement. It agreed with Argentina on the need to progress the INDC elements in tandem with the full 2015 agreement. It said that INDCs are focused on mitigation. There are certain aspects of INDCs that do not fit beyond mitigation. Mitigation is fixed over a period while adaptation plans and investments may be more dynamic. Countries are accountable in relation to mitigation as their efforts are measured, reported and verified (MRV). It questioned if this is the same treatment for adaptation.

On the issue of differentiation, it supported New Zealand, and in response to China, said that no one is saying that there is no differentiation. The question, it said, was the way differentiation is done. It said there was no logic in differentiating upfront information on the contributions. Developing countries may make different types of contributions and the information may therefore differ according to contributions. On what happens after the communication, publication and compilation of the INDCs, Australia said that this will help build understanding of the Parties' overall efforts. Time has to be prioritised for clarification where the emissions are the largest and not where countries have lower capacity or smaller shares of emissions. It was also wary about the Secretariat making a value judgment in interpreting the efforts of countries.

**Norway** said that INDCs have to be brought forward by early 2015 by major economies and those who have greatest responsibility. The intention of the INDCs is to keep the temperature target to below 2°C. The process of INDCs does not prejudge action on adaptation. Finance is also key for both adaptation and mitigation. Including finance in the INDCs is not an effective tool to mobilise more finance, said Norway. It supported New Zealand and the EU and looked forward to a revised version of the decision.

**Russia** said that INDCs is an endeavour on mitigation. It was also not in favour of the Secretariat doing an analysis of the INDCs.

**Japan** said that the INDCs should focus on mitigation. While adaptation, finance and capacity building are important, they should be addressed in different places because they play different roles and should not be given the same status as contributions. It added that technically, it is very difficult to set a quantifiable goal for adaptation. Having adaptation in INDCs may cause delay in the submission of

INDCs. It called for the Secretariat to make public the INDCs submitted on its website and for other Parties and the private sector to comment on the submitted INDCs. It did not, however, support the Secretariat evaluating the INDCs.

**The United States** said that INDCs must be communicated to reflect the level of effort in action as well as enable Parties to understand the nature of each other's contributions. The US said it would provide its INDC by 31 March 2015, in an effort to make others understand its seriousness for 'ambitious action'. Referring to the Durban decision, the US said that it was clear on what information should be provided for the INDCs. It should be a straightforward task in that the information should be technical and stressed for it to indicate where it stands with respect to the 2°C goal. Warsaw did not lay out procedures and it found the Co-chairs' draft decision useful in this regard.

The US said that those not ready with their contributions by March next year should come forth before the ADP meeting in June 2015 and added that the August deadline in the Co-chairs' draft decision might cause confusion. 'June will be the time we will start exchanging and understanding information on what we are doing,' it said.

On the scope of INDCs, the US said that the Warsaw decision applies to only mitigation and moving to other areas might 'complicate' things and

result in losing 'focus' and 'sight' of the 'ambition'. Also, putting non-mitigation elements would mean undermining their effectiveness in the agreement, it said, adding that adaptation makes it hard to contain specific INDCs in it.

It also said that the INDC process for support is not consistent with the timeframe and the manner in which Parties are able to maximise support. Referring to the train analogy, the US said INDCs are one of the several vehicles Parties have at their disposal to reach the destination. Finance, adaptation and others will be in the agreement, it said.

It reiterated its concern about the level to which differentiation is reflected in the draft decision. 'We support differentiation and the concept of INDCs is a strong reflection of differentiation and is consistent with the principles of the Convention,' the US said. It, however, added that the clarity with which contributions are contributed should be the same and enable everyone to understand them in a transparent manner. 'The notion of a post-2020 agreement set in a 1992 era will not work in the future. We have to find another approach and INDCs provide a sound basis for reflecting Parties' circumstances and capabilities,' it said.

Some Parties may want to emphasise their mitigation action in different ways, it said. It also stressed on the need for a common timeframe for the effectiveness of the first period of INDCs. The timeframe ought to be 2025.

### Developing Countries Call for Text-based Negotiations at ADP Stock-take

Bonn, 24 October (Hilary Chiew) – Many developing countries expressed concern over the lack of progress in the contact group of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) in drafting the elements for an outcome text at the UNFCCC's Conference of Parties (COP20) in Lima in December this year.

**The Like-minded Developing Countries (LMDC)** asked when actual negotiations can start with texts on the screen for Parties to negotiate. Three individual members of the group – **Egypt, Ecuador and Nicaragua** – also posed the same question from the floor.

Developed countries, meanwhile, are generally satisfied with the process that 'helps deepen understanding' of Parties' positions and registered their trust in the Co-chairs' guidance with some among them, nevertheless, acknowledging that progress has been slow.

These statements were made at the stock-taking exercise chaired by the ADP Co-chair Artur Runge-Metzger (the European Union) at the end of the fourth day (23 October) of the contact group meeting of the ADP. The ADP meeting is taking place from 20 to 25 October.

However, Co-chair Runge-Metzger replied that, 'as soon as all Parties agreed on how to proceed, if people say yes, then we are ready to go but we have not heard that yet'.

To this, Ecuador asked: 'Can I, through you, ask all the Parties who are against proceeding with text to state their reasons and indicate when we can begin with this procedure?' There was however no response from any developed country in this regard.

At the outset, Co-chair Runge-Metzger said the two draft decisions on the intended nationally determined contributions (INDCs) and that on the pre-2020 ambition will be reworked and will most likely be presented to Parties by late afternoon of

Friday (24 October). He was unsure if Parties would have time to discuss them here in Bonn as that would depend on how fast Parties will move on remaining issues (on the agenda). He said 'our ambition' to finalise the two decision texts is probably no longer possible but hoped that in Lima, Parties will be able to make further iterations.

Over the last four days, Parties had engaged in discussions on the non-paper, which is a compilation of views and proposals by Parties from the ADP session in June in bullet-point format, that contains elements for a draft negotiating text. So far, only adaptation and finance were covered but the remaining four elements i.e. mitigation, technology development and transfer, capacity building and transparency of action and support had yet to be discussed. (Parties were informed on Friday, 24 October that these will be discussed in the remaining two days). Parties also deliberated on the draft decision on INDCs and engaged in the Technical Expert Meeting under the ADP workstream 2.

The Co-chairs encouraged Parties to continue their discussions in an informal setting for both the elements of adaptation and finance. So far, the adaptation informal group, coordinated by Bolivia and France, had met once on 23 October. It will continue to meet on 24 October too.

Co-chair Runge-Metzger also proposed two additional meetings for the ADP next year, one either in late February or early March and the other in the second half of 2015. He invited Parties to share their views on the proposed organisation of work.

**Bolivia speaking for the G77 and China** said although the last few days had provided the opportunity to understand Parties' positions, it was concerned with the lack of progress in drafting elements of the 2015 agreement while taking note of the informal dialogues. However, in the following two days, 'we must ensure the dialogues are done in

a transparent and consensus-building manner and ensure that the informal groups focus on key issues raised,' said Bolivia. It said the informal groups can deal with drafting some elements in a constructive manner to help with achieving success in Lima and Paris.

It further said there are three core tasks for the remaining days in Bonn – negotiation on all the elements for a draft negotiating text, identifying information for the INDCs and accelerating pre-2020 ambition – which are to be done under the contact group. They should be collectively constructed by Parties in an objective, inclusive, comprehensive and Party-driven manner through direct negotiation on the road to Lima in order to advance a draft text with all elements in a balanced manner.

It stressed that the success of the agreement depends on the further elaboration of the six core elements in paragraph 5 of the Durban decision. It said it is crucial for the Lima COP to progress in identifying the information to be presented and to accelerate the work on the pre-2020 ambition. On the latter, it said the follow-up work to the Technical Expert Meetings (TEMs) and acceleration of work under paragraphs 3, 4, 5a and 5b of decision 1/CP.19 should be built in the draft decision as a matter of urgency and priority and that the work of workstream 2 has to continue until the pre-2020 gap is closed.

On the provision of finance, Bolivia reiterated that it has to be in accordance to the principles and provisions of the Convention and viewed it as critical for having an ambitious outcome. It urged Parties to undertake adaptation efforts in their respective INDCs.

**Egypt speaking for the LMDC** reminded that Parties are looking for an outcome that moves us farther down the road to effective global climate action under the Convention in a way that enables us to adapt effectively, ensure food security for our peoples, and promotes our right to sustainable development. This outcome is a protocol, other legal instrument, or agreed outcome with legal force under the Convention that reflects all the elements of mitigation, adaptation, finance, technology, capacity building, and transparency of action and support in a balanced, comprehensive and ambitious way.

It was concerned about what developed countries were saying these past few days. 'We hear them talk essentially about standing still or lessening their mitigation ambition both pre- and post-2020. We hear them call on developing countries to do more on mitigation and adaptation, but without committing to provide the means of implementation to developing countries at the scale and manner that is required under the Convention. It seems they are

looking for a least-effort and unambitious outcome in Lima and Paris that is only about mitigation. To us, this is not an outcome that can effectively deal with climate change and will result in the dismantling of the basis for international cooperation on climate change under the Convention,' said Egypt.

'Our greatest priority at Lima is to start making substantial progress on the elaboration of the elements and producing the negotiating text to achieve success in Lima and Paris on the 2015 outcome. We must stress that the elements are those agreed to under the Durban mandate and do not include items such as cycles or long-term mitigation,' it said.

On the information to be agreed by Lima, Egypt said the focus should be on the information to be provided in the INDCs, as mandated in Warsaw. The ADP should focus on identifying the upfront information needed with respect to the various elements. This will give Parties a common understanding of the information that could be put in their INDCs according to the elements of the 2015 agreed outcome. The introduction of issues such as *ex ante* review processes and limiting INDCs to only mitigation politicises this technical exercise and will make it difficult to reach agreement in Lima. 'We cannot keep on discussing INDCs as if it is a workstream of the ADP separate from workstream 1,' added Egypt.

'The next steps on this issue of information should be for Parties to look at and agree on the information that would be asked of Parties such as those contained in the annex to our (LMDC) CRP on INDCs. Spin-off drafting groups of Parties could then be set up to finalise the identified information. Once the information for each element has been identified, this can be captured in the form of ADP conclusions rather than a COP decision. We should avoid any decision from the COP that will hamper or prejudice the way in which Parties are preparing their INDCs and the information that they wish to provide,' it added further.

'On the pre-2020 ambition, the follow-up arrangements on accelerating implementation and operationalisation of paragraphs 3 and 4 of the Warsaw decision should be dealt with as a matter of urgency and priority. We have suggested, in particular, putting in place in the ADP an accelerated implementation mechanism for this purpose to trigger enhanced pre-2020 action,' said Egypt.

'We are also concerned about the process we have been using in this contact group. We have been saying since March that we want to start negotiating on draft texts put forward by Parties, and not any other, through this Contact Group. We have therefore

proactively and constructively put forward three CRPs – one on elements, another one on the information, and one on workstream 2. We invite other Parties to put forward their own draft negotiating texts as conference room papers and to engage with us directly on these texts,’ it said further.

‘We want to directly negotiate with other Parties and start drafting the outcome texts for Lima in a collective and constructive manner. The time for conceptual, brainstorming-type discussions is over. Action now is what is needed. Through such negotiations, we can narrow differences, find convergence, and arrive at a collectively constructed consensus in Lima, first on the elements and then on the information and workstream 2. All other modalities make a sham of consensus-building, and put having a good outcome in Lima in danger.’

It added that, ‘convergence and consensus have to be negotiated by the Parties, not simply declared into being. We are all looking for a landing zone by 2015 to bring the ADP safely to the ground. What better landing zone can there be than to abide by the one treaty that binds us all, the Convention?’

It said further that there are various ways in which Parties can directly negotiate with each other on collectively constructing the text, such as putting forward their respective CRPs or putting up texts on the screen for all to see and negotiate upon. ‘We would be able to work on further iterations of your texts only if there are Parties that would table your text as their own. The COP’s rules of procedure as applied to the ADP do not allow the Co-chairs to exercise the rights of Parties and table texts, as you are both well aware. The Contact Group could also create spin-off drafting groups of Parties with clear mandates and focused on addressing issues identified and raised by Parties and which need to be settled among them. This is the most pragmatic and practical way to secure a successful and comprehensive outcome on the ADP in Lima,’ stressed Egypt.

‘We can live with something that we have collectively worked on and negotiated together with other Parties, but not with something that has simply been handed down to us without the benefit of actual intergovernmental negotiations,’ it said further.

‘We are ready to negotiate. Our CRPs are on the table. When we get to Lima, we expect to enter immediately into textual drafting mode on the elements on the basis of draft texts put forward by Parties, either in the contact group or through spin-off drafting groups for various elements. We remain committed to working with you and other Parties to make this session constructive and productive in laying a solid foundation for Lima. We have a

question for you, Co-chairs. When will we start actual negotiations, with texts on the screen for Parties to negotiate on?’ Egypt asked.

**Nauru for the Alliance of Small Island States (AOSIS)** welcomed the constructive discussion in the TEMs under workstream 2 and looked forward to further elaboration tomorrow (25 October) and the CRP tabled by the LMDC. It welcomed the rich exchanges on the elements of the agreement and saw convergence in some issues. Regarding informal groups, it said as the AOSIS delegations are small, the creation of too many parallel groups will make it difficult. It supported the additional meeting for early next year. It also asked the Co-chairs what are the options they are considering for reflecting the progress made at this session.

**Sudan representing the African Group** said for workstream 1, it is necessary to clarify the collective intention or outcome for Lima that will include the substantive scope and it believed that Lima should result in a single outcome as per the mandate of decision 1/CP.1 and faithfully captured in the chapeau of decision 1/CP.19.

It stressed that there is no agreement to a decision for INDCs in Lima. It noted that there is push-back on the specific guidance from the Warsaw decision with a proposal for an asymmetric 2015 agreement that focuses on mitigation to the exclusion of other elements. It was concerned with suggestions that finance not be included as a legally-binding element in the agreement but addressed through political understanding and Parties being reluctant to undertake progress. On information for the INDCs, it said the different information to be provided by Annex I and non-Annex I and potential flexibility for poorer groups need to be explored. The scope of information for INDCs must address mitigation, adaptation, finance, technology transfer and capacity building and should not be solely mitigation-focused.

**Nepal speaking for the Least Developed Countries (LDCs)** said even though Parties were not able to keep to the planned schedule (to discuss all the elements), discussions so far have enriched our understanding of one another’s positions. It believed that we should progress in advancing the draft text on INDCs and remaining elements of the agreement, adding that parallel progress in these two areas is complementary. It welcomed the first informal group discussion on adaptation to bridge divergences and would like clarity on how the discussion will be embedded in formal negotiation. It said the TEMs have been useful in identifying appropriate policies and options with high mitigation potential and removal of barriers but would need to move beyond the technical level.

It also said developed countries must close the pre-2020 emission gap and the current situation is not at all encouraging, noting that workstream 2 is critical for building trust that will help move discussion under workstream 1.

**Costa Rica representing the Independent Alliance of Latin America and the Caribbean (AILAC)** appreciated the transparent and inclusive manner of the discussion to deepen understanding but also noted the urgency to focus negotiation on proposals put by the Co-chairs and Parties. It said the informal dialogue on adaptation is a step towards convergence and is guiding us to a more focused text-based negotiation. Parties recognised substantial fundamental issues but are happy to see openness to identify compromises. It noted that ‘full convergence is not where we are yet but it saw opportunity for a successful outcome’ and it trusted the Co-chairs to guide Parties.

**Australia representing the Umbrella Group** said discussions have been encouraging while noting that other elements are still pending. It said the non-paper on the elements was useful to capture the views of Parties but the task is where the ideas overlapped or generate new ideas. It welcomed the informal group and that work in workstream 2 remains to ensure the TEM catalyses actions. It trusted the Co-chairs to guide Parties in generating concise and focus elements based on submissions made by the full range of Parties and groups. It supported the additional session in early 2015.

**The European Union** said it is encouraged by the discussions though we need to urgently make progress on a decision on INDCs including upfront information, ratcheting up ambition before Lima and further elaborating on the draft decision text.

It said there is a great deal of support for reaching agreement in Lima for INDCs to make them transparent and quantifiable, and nobody disagrees that INDCs will be in line with national circumstances. There must be a process before COP21 in Paris to continue analysis of INDCs and differences remain on whether finance should be part of the INDCs. It will support the new version of text in Bonn as it is essential to reach decision on INDCs in Lima. On TEM, it said the work should continue beyond 2020.

The EU also said the non-paper is an attempt to capture a range of elements but does not think that it can serve as a negotiation document. It welcomed the informal groups that will allow Parties

to dwell deeper into the issues and find common ground.

**Representing the Environmental Integrity Group, Switzerland** agreed that the process has been slow but discussions were rich and deep. We did learn a lot from each other, it said, adding that it looked forward to the Co-chairs’ revised draft decision to be ready by Friday (24 October) noon. It supported the additional session early next year and sees the benefit of planning beyond June that would be helpful in organising the process.

**Bolivia’s Juan Hoffmaister** provided an update on the informal group on adaptation. He said conversation was around the global goal on adaptation, commitment and contribution, and institutional arrangement. Discussion was rich, interactive and detailed but the informal group only managed the first topic. There are still many divergences in views but convergence was found on a particular proposal and Parties would want to continue the discussion.

In conclusion, Co-chair Runge-Metzger said as there are still some elements (on the draft negotiating text) that had yet to be dealt with, the suggestion to put text on the screen for negotiation is not possible. He said Parties will discuss workstream 2 particularly with a CRP document (issued by the LMDC) first thing tomorrow (Friday, 24 October). He also needs to streamline the non-paper with better reflection of the views of Parties, noting that he would not claim that the Co-chairs will be 100% correct as what they hear sometimes is ambiguous. He also wanted to give delegates time to discuss adaptation and finance at length and a lot will depend on progress made in the remaining days.

Ahead of Lima, he said there will be a pre-session note and as the agenda in Lima will be crowded, we would need to limit intervention for those things that need to be discussed. He cannot see moving forward in Lima with another round of INDC and workstream 2 discussions without having some texts on the table.

**The Holy See** (an observer) said negotiations must respect the framework that we are one human family and countries must not repeat the errors by others or by themselves. It said addressing climate change is an issue of justice and Parties must recognise their common but differentiated responsibilities. It also stressed that the agreement must be based on distributive justice and reparatory justice.

### Developing Countries Warn against 'Take it or leave it' Texts

Bonn, 27 October (Indrajit Bose) – Developing countries, at the closing plenary of the UNFCCC's Ad Hoc Working Group on the Durban Platform (ADP) held on 25 October in Bonn, Germany, warned against having draft decision texts at the forthcoming meeting in Lima, Peru, later this year, on a 'take it or leave it' basis.

They were also opposed to having last-minute 'huddles' to resolve issues on the negotiating texts (as has happened in the past) 'due to the lack of interactions in previous sessions among Parties'.

These views were expressed by **Bolivia**, on behalf of **the G77 and China**. Stressing the need for clarity on the way ahead, it said the format of the future sessions of the ADP has to be modified. It called for 'focused groups to be established to enter into formal Party-driven negotiations'.

Supporting the G77 and China, **Ecuador for the Like-minded Developing Countries (LMDC)** said that it wished 'to negotiate with our partners with dignity and respect in order to achieve consensus'. It stressed that it 'will not accept being made, due to a mismanaged process, to press around each other in an undemocratic, non-inclusive, and non-transparent "huddle" at the last hours and minutes of the COP (meeting of the Conference of Parties) just to finalise a decision. We will not accept a situation in which we are forced to "take it or leave it" an outcome text that we have not negotiated upon, whether in Lima or Paris (in 2015).'

Ecuador expressed dissatisfaction over the recently concluded ADP session in Bonn (20-25 October), saying that valuable negotiating time was lost with more open-ended discussions in the contact group instead of undertaking direct negotiations among the Parties on drafting text. 'This leaves us very concerned about how you plan to organise our work in Lima,' it said.

Calling for the process to change from the very first day in Lima, Ecuador said, 'We expect to see

the contact group start direct negotiations among the Parties. We want to see draft texts from Parties on screen, on paper, being directly negotiated by the Parties with each other, in order to narrow differences, find convergence and achieve consensus.'

**South Africa**, speaking for **the BASIC countries (Brazil, South Africa, India and China)**, said it could not 'continue with the current mode of engagement'. It called for work to begin in more focused groups and asked of the Co-chairs to appoint facilitators for such groups. **Saudi Arabia for the Arab Group** also called for a change in the method of work in Lima so that negotiations could begin on the basis of negotiating texts that are based on drafts presented by Parties and not the Co-chairs. **Sudan, for the African Group**, also supported the launch of 'spin-off groups' to deal with the elements of the draft negotiating text for the 2015 agreement.

**Australia and Russia**, in response to the calls by developing countries, were opposed to having the focused groups and preferred to continue discussions in the same setting as in the Bonn session in the contact group.

The final plenary held on 25 October was co-chaired by Artur Runge-Metzger (EU) and Kishan Kumarsingh (Trinidad and Tobago). The ADP Co-chairs had on 24 October issued two draft decision texts at the Bonn session on 'information on intended nationally determined contributions (INDCs) in the context of the 2015 agreement' and on 'accelerating the implementation of enhanced pre-2020 climate action'. (The draft decision text on INDCs relates to work under the ADP workstream 1 on the 2015 agreement that is expected to enter into force by 2020, while the one on enhancing pre-2020 action relates to work under workstream 2.)

The Co-chairs, during the plenary session, also informed Parties that they will issue a 'reflection note' based on the discussions at the Bonn session,

and provide an updated non-paper on the elements of the 2015 agreement. They will also issue a scenario note ‘to assist’ Parties for the Lima COP. When Runge-Metzger announced that the ADP session was suspended, the G77 and China and the LMDC requested the floor to express their views.

Speaking for **the G77 and China, Bolivia** called for negotiations in a formal mode around the three core tasks for Lima: elaboration of elements of the agreement, identification of information for INDCs, and accelerating pre-2020 ambition. It said negotiating in formal and focused mode around these three tasks and in full accordance with the mandate from Durban is crucial. It stressed that the text of the Lima outcome should be collectively constructed by Parties, based on the inputs of Parties that reflect the various views in a balanced, objective, inclusive and comprehensive and Party-driven manner.

Referring to the Co-chairs’ draft text relating to the INDCs, Bolivia said that it lacks the central elements that are part of the principles and provisions of the Convention – equity and common but differentiated responsibilities and respective capabilities (CBDR-RC). These elements have been removed from the second version of the draft text. This sends a signal that the documents produced by the Co-chairs are not balanced and fall short of reflecting the positions of all the Parties. The Co-chairs should facilitate the negotiations and identify areas of convergence in a balanced manner and promote negotiations among Parties, it said, adding that the draft decision did not reflect other constructive proposals by Parties either.

Bolivia called for the need for clarity on the way ahead and warned against a situation in Lima where Parties are faced with a ‘take it or leave it’ approach (where negotiating texts are imposed on Parties) or delegates would have to resort ‘to huddles’ in the last minute to resolve issues, due to lack of interactions in previous sessions among Parties. ‘We have to modify the dynamic and the format of the (ADP) sessions. There is huge political pressure from civil society to find solutions,’ it added further.

Bolivia stressed the need to begin a process from a text that allows negotiations, and to have a clear idea of the organisation of work in Lima, to accomplish the agreed tasks of Warsaw (COP in 2013). It also called for focused groups to be established to enter into formal Party-driven negotiations to form a draft text comprising all the core elements of the agreement based on collective inputs from Parties in accordance with paragraph 5 of Durban decision. ‘We need a draft negotiating text on all the elements of ADP. INDCs must promote

enhanced actions in accordance with equity and CBDR-RC. Also, the draft decision must be collectively constructed by Parties based on the inputs by Parties,’ it said.

Speaking for the **LMDC, Ecuador** expressed dissatisfaction about the process of the contact group, adding that instead of undertaking direct negotiations among the Parties on drafting text, Parties lost valuable negotiating time with more open-ended discussions. ‘This leaves us very concerned about how you plan to organise our work in Lima,’ it said to the Co-chairs. Calling for the process to change from the very first day in Lima, Ecuador said, ‘We expect to see the contact group start direct negotiations among the Parties. We want to see draft texts from Parties on screen, on paper, being directly negotiated by the Parties with each other, in order to narrow differences, find convergence, and achieve consensus,’ it said.

It called for focused open-ended groups of Parties to work on drafting and concluding texts with clear mandates. It wanted these groups to be co-facilitated in a balanced way by developed and developing country delegates selected by the Parties themselves, and focused on addressing issues identified and raised by Parties and which need to be settled among themselves. Draft texts can come only from Parties and have legal standing as a negotiating basis when they are submitted as CRPs (conference room papers).

‘The COP’s rules of procedure as applied to the ADP do not allow the Co-chairs to exercise the rights of Parties and table texts,’ it said. Ecuador also said that it expected ‘a shift in the mode of our work in the contact group to a formal and direct negotiating mode among the Parties through elements-focused drafting groups from day 1 in Lima. We do not want to lose more time.’

‘Convergence and consensus cannot simply be declared into being; these have to be negotiated. As a Party-driven process, it is up to Parties to discover and decide through direct negotiations where areas of convergence exist and consensus can be achieved,’ stressed Ecuador. It expected the Co-chairs to facilitate the negotiations by accurately reflecting all Parties’ views rather than exercising their own judgment on where convergence and consensus may lie.

It also said that it ‘could live with something that Parties have collectively worked on and negotiated together with other Parties, but not with something that has simply been handed down to them without the benefit of actual intergovernmental negotiations. Such negotiations must take place, to

ensure that Lima and Paris will achieve balanced, comprehensive and consensus-based outcomes.’

‘Under the Convention, Parties have to actively make a decision by consensus, rather than assume that a decision is adopted unless Parties have a consensus to reject it,’ emphasised Ecuador further.

‘The urgency of climate change and the long-term impacts of the decisions that we are to take in this process on our economies and societies demand that we negotiate in good faith, with full knowledge, transparency, and inclusiveness,’ it added.

Ecuador reminded the Co-chairs that Parties represent sovereign states. ‘We wish to negotiate with our partners with dignity and respect in order to achieve consensus. We will not accept being made, due to a mismanaged process, to press around each other in an undemocratic, non-inclusive, and non-transparent “huddle” at the last hours and minutes of the COP just to finalise a decision. We will not accept a situation in which we are forced to consider on a “take it or leave it” basis an outcome text that we have not negotiated upon, whether in Lima or Paris. This is our responsibility as the representatives of our peoples,’ it said. ‘Our CRPs are on the table. We are ready to negotiate,’ it added.

Speaking for **Brazil, South Africa, India and China (BASIC)**, **South Africa** said that a stand-alone decision on INDCs would not help reach an outcome in Paris in 2015. It referred to the Co-chairs’ draft text as unbalanced and said that selective information had been presented. It also expressed disappointment over discussion on the elements of the 2015 agreement and said not enough progress had been made. ‘Our expectation was we will have the first reading of the non-paper in this session. The mode of work was not conducive to capture emerging consensus or common ground,’ it said.

South Africa expected to finalise the elements of the draft negotiating text. ‘It is clear we cannot continue with the current mode of engagement,’ it said, and called for work to begin in more focused groups. It asked the Co-chairs to appoint facilitators for such groups. The mandate for the focused groups should be to produce elements of the draft negotiations text, the basis of which would be the Co-chairs’ non-paper. It expected the Co-chairs to update the non-paper and structure it to suit focused group discussions. ‘The BASIC countries do not agree with deleting any of the proposals so far as we have not had a first reading of the non-paper,’ it said, and added that ‘time was not on our side.’

Speaking for the **Arab Group, Saudi Arabia** expressed concerns that the ADP had made no progress despite three meetings held in 2014 and was unable to begin serious negotiations in compliance

with decisions adopted in Warsaw. It called for change in the method of work in Lima so that negotiations could begin on the basis of negotiating texts based on drafts presented by the Parties and not from the Co-chairs. It supported the idea of focused groups to produce the elements. Draft texts prepared by the Co-chairs should not be presented at the last minute, it said.

Speaking for the African Group, Sudan expressed disappointment with the Co-chairs’ INDC text since it did not at all reflect the Group’s concerns. ‘We would not be able to engage with this text as the basis of negotiations in Lima.’ It supported an iteration of the paper to reflect balance to avoid protracted procedural discussions in Lima.

On the Co-chairs’ non-paper, the African Group registered their disappointment in the position and form of the paper. It proposed and supported the launch of spin-off groups to deal with the elements paper for text-based negotiations with the Co-chairs facilitating Parties. On how Parties should take work on elements and INDCs together, it said that it was not aware of a separate mandate for a decision on INDCs alone. The outcome of workstream 1 must be addressed through a single unified decision of all elements of the 2015 agreement and INDCs together, it said. On the draft text on workstream 2 by the Co-chairs, it said it would provide specific textual suggestions to the draft.

Speaking for **the Least Developed Countries (LDCs)**, **Nepal** said Parties had understood each other better during the Bonn session and started to arrive at middle ground. It called for the consideration of elements of the draft negotiating text in Lima. It called on Parties to move into a negotiations mode of work without delay. It looked forward to the revised version of the elements text, which would ‘streamline options’. The LDCs reiterated that more focused discussion on elements is necessary and stressed that since all elements of the agreement are of ‘equal importance’, they need proper and balanced treatment.

Speaking for **the Independent Alliance of Latin America and the Caribbean (AILAC)**, **Costa Rica** said that although it found the method of work useful to Parties, it needed to move to a mode of work that allows more detailed exchanges. It said that Parties would need to find more points of convergence to ensure that the 2015 agreement will truly be applicable and appropriate for everyone.

**The European Union** supported the Co-chairs’ proposal on the way forward.

Speaking for **the Environment Integrity Group (EIG)**, **Switzerland** said progress had been slow not because of the Co-chairs but because of

Parties. It looked forward to the documents the Co-chairs plan to prepare and is confident that these would provide a 'good basis' to advance work.

**Australia** spoke for **the Umbrella Group** and appreciated the Co-chairs' handling of the session in a 'business-like and professional' manner. It also welcomed the Co-chairs' revised text on INDCs and the pre-2020 ambition. It would like to see further iterations of the Co-chairs' non-paper on areas 'where there is likely to be convergence'.

On the idea of break-out groups proposed by (developing country) Parties, Australia spoke in its national capacity and disagreed with the approach.

It is difficult to break out at this stage, it said, since Parties had not had an overall conversation on the form of the legal outcome, which would bring out the interrelationships on the elements.

**The Russian Federation** was not in favour of spin-off groups and wanted discussions to continue in the existing setting.

Following these interventions, Co-chair Runge-Metzger said that it was helpful to get some impressions from Parties and that the Co-chairs would reflect on these. The ADP session was then suspended and will meet next during the COP in Lima from 1-12 December.

### Parties Present Proposals on Enhancing pre-2020 Ambition

Bonn, 29 October (Indrajit Bose) – At the contact group meeting of the Ad Hoc Working Group on the Durban Platform (ADP) held on 24 October, two groups of countries presented their proposals on enhancing pre-2020 ambition, which is under workstream 2.

The two groups were **the Like Minded Developing Countries (LMDC)** which had submitted a conference room paper (CRP), and **the Alliance of Small Island States (AOSIS)**, which had made a submission in relation to workstream 2.

The contact group meeting began with Co-chair Kishan Kumarsingh (Trinidad and Tobago) inviting the representatives of the LMDC and AOSIS to present their proposals and asked Parties to confine their discussions to these proposals.

**Mali**, speaking for **the African Group**, said that the two proposals by the LMDC and AOSIS have a lot of convergence. While the proposal from AOSIS was greeted with positive reactions from developed countries, the LMDC proposal saw sharp reactions, especially on the implementation of decisions under the Bali Action Plan (BAP) and the Kyoto Protocol (KP). Several developed countries said that the pre-2020 ambition is limited only to mitigation and that the LMDC proposal went beyond the mandate of the Warsaw decision. Some developed countries said that work was already happening in relation to the BAP and the KP in other bodies of the Convention as well as in the Green Climate Fund.

Speaking for the **LMDC**, **China** said its CRP called for the following key actions:

- The immediate and early ratification of the KP amendment for its second commitment period by the Parties listed in Annex B of the KP as well as other Parties;

- Annex I Parties under the Kyoto Protocol unconditionally increasing in 2014 their mitigation targets, together with comparable increases in 2014 of the mitigation targets of those Annex I Parties who are not under the KP, to at least 40% below 1990 levels by 2020, together with the development of needed arrangements, such as modalities, timelines and organisation of the work, for revisiting and increasing in 2014 such mitigation targets by both sets of Annex I Parties. The use of the KP's flexibility mechanisms will be allowed only for those Annex I Parties that ratify the Doha Amendment to the KP.
- Clear commitments from Annex II Parties for the provision of financing in the pre-2020 period through the Cancun Adaptation Framework (CAF) and other mechanisms, including the Convention's financial mechanism, to support developing countries' national adaptation actions including National Adaptation Plans (NAPs) and National Adaptation Programmes of Action (NAPAs). Developing countries should be supported in identifying further activities, barriers and their finance needs for adaptation, enhancing resilience and promoting economic diversification.
- Parties must address the economic and social consequences of the implementation of response measures on developing countries;
- The rapid and substantial capitalisation of the Green Climate Fund (GCF);
- Annex II Parties having clear commitments with an agreed pathway to providing new, additional, and sufficient public climate finance of US\$70 billion by 2016, US\$85 billion by 2018, and US\$100 billion by 2020, through the

Convention's financial mechanism, particularly the GCF. There must be a 2015-2020 work programme on the review of the adequacy of the commitments on financial support by developed countries as well as the implementation of these commitments, to be launched in 2015 and informed by the MRV (measurement-reporting-verification) of finance support and the work under the existing financial mechanism.

- Progress towards having operational modalities by the Subsidiary Body on Scientific and Technological Advice (SBSTA)'s 42nd session for the work of the Technology Executive Committee and Climate Technology Centre and Network to ensure accelerated technology transfer to developing countries, including addressing the issue of intellectual property rights and enhancing the provision and MRV of financial support on technology development and transfer in developing countries through dedicated work programmes for these issues to be launched in 2015 and running up to 2020.
- Have the Subsidiary Body on Implementation (SBI) and SBSTA help Parties in addressing the adverse economic and social consequences of the implementation of response measures on developing countries, including through the conduct of research and the production of technical papers by the Secretariat on this issue.

China also suggested having an accelerated implementation mechanism under the ADP. This is a mechanism that will seek to accelerate implementation of enhanced ambition pre-2020 through matching and mobilising political engagement together with the technical work under the technical expert meetings (TEMs).

'The proposal by the African Group on workstream 2 also contains ideas that we would support in this regard. This accelerated implementation mechanism should operationalise the Revisit Mechanism in paragraph 4(b) and (c) of decision 1/CP.19 to ensure that there is a constant review and ratcheting up of developed country mitigation ambition in the pre-2020 period,' said China.

China proposed the launch of two work programmes from 2015 to 2020: one on the review of the adequacy of pre-2020 finance, technology and capacity-building support by developed countries; and another on the further identification of the further measures, policies and actions on provision of finance and technology support by developed

countries, including the additional numbers of the finance targets by 2020 and a technology inventory based on developing countries' needs for further action.

China suggested having the Secretariat continue arranging for additional TEMs to be held during the sessions of the ADP in 2015, focusing on options for actions to unlock the mitigation potential of all developed countries, enhance actions on adaptation, and increase the provision of finance, technology and capacity-building support to developing country Parties, as well as removing barriers to action by developed countries. This, it said, ties in very well with the proposal from the African Group for the identification of developing countries' relevant technical and financial needs, gaps and constraints, with a view to filling the implementation gap with additional support from developed countries.

(Paragraph 3 of the Warsaw decision reads: *Resolves to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 (BAP), 1 in particular in relation to the provision of means of implementation, including technology, finance and capacity building support for developing country Parties, recognizing that such implementation will enhance ambition in the pre-2020 period;* Paragraph 4 of the Warsaw decision reads: *Also resolves to enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties by:*

- (a) *Urging each Party that has not yet communicated a quantified economy-wide emission reduction target or nationally appropriate mitigation action, as applicable, to do so;*
- (b) *Urging each developed country Party to implement without delay its quantified economy-wide emission reduction target under the Convention and, if it is also a Party to the KP, its quantified emission limitation or reduction commitment for the second commitment period of the KP, if applicable;*
- (c) *Urging each developed country Party to revisit its quantified economy-wide emission reduction target under the Convention and, if it is also a Party to the KP, its quantified emission limitation or reduction commitment for the second commitment period of the KP, if applicable, in accordance with decision 1/ CMP.8, paragraphs 7– 11;*
- (d) *Urging each developed country Party to periodically evaluate the continuing*

*application of any conditions associated with its quantified economy-wide emission reduction target, with a view to adjusting, resolving or removing such conditions;*

- (e) Urging developed country Parties to increase technology, finance and capacity-building support to enable increased mitigation ambition by developing country Parties;*
- (f) Urging each developing country Party that has communicated its nationally appropriate mitigation action to implement it and, where appropriate, consider further action, recognizing that nationally appropriate mitigation actions will be taken in the context of sustainable development, supported and enabled by technology, finance and capacity-building.)*

Speaking for **AOSIS**, **Nauru** said it had made a submission and that it is in line with paragraph 5 of the Warsaw decision. (Paragraph 5 of the decision is about *'accelerating activities on enhancing mitigation ambition by intensifying the technical examination of opportunities for actions with high mitigation potential, including those with adaptation and sustainable development co-benefits; facilitating the sharing of experiences and best practices among Parties; promoting voluntary cancellation of certified emission reductions; and considering further activities to be undertaken under that workplan at COP 20.'*)

Nauru said its proposal focuses on enhanced work plan for action; contains a number of suggestions related to TEMs; updating technology papers following a TEM; invites submissions from subnational authorities, international organisations, civil society and private sector entities; encourages Parties and expert organisations hosting non-UNFCCC events to submit relevant information on the outcomes; speaks to political engagement and organising high-level mitigation action ministerials; and asks the Secretariat and bodies of the Convention, such as the subsidiary bodies, GCF, Standing Committee on Finance, Global Environment Facility, Technology Executive Committee, and Climate Technology Centre and Network to liaise with Parties to facilitate implementation of policy options.

**Mali**, speaking for **the African Group**, said that the TEMs have tried to identify limitations and gaps. Referring to the participation of institutions in the TEMs and making reports, the challenge remains on how to 'accelerate the accelerators'. It expressed concerns that Parties were not going at a speed that is fast enough. Mali also said that the two proposals

by the LMDC and AOSIS have a lot of convergence, central to which is a commitment to close the gap. It said that while the AOSIS proposal calls for activities, the LMDC proposal calls for a mechanism for action that could be achieved by identifying concrete measures. It added that it is important to strengthen the work plan and take policy options to the next step. It said that irrespective of how much Parties may prefer TEMs, ambition would not come out of them unless Parties decide to take action. Ambition will not come from the World Bank or International Finance Corporation or the International Renewable Energy Agency. Developed country Parties have to come to the TEM and say what they will do, it said. 'If we are not doing that, we are exhausting the value of the TEM,' it said.

Speaking for **the Independent Alliance of Latin America and the Caribbean (AILAC)**, **Costa Rica** said that it is critical that developed countries take the lead in implementing their mitigation commitments in line with what is required by science. It also called for developed countries to increase finance, technology and capacity-building support. It called for continuation of TEMs with increased focus on implementation.

**Bolivia** focused its intervention on TEMs. It said that it is important to continue with additional TEMs and focus on options for actions to unlock the mitigation potential of all developed country Parties, enhance actions on adaptation, and on increasing the provision of finance, technology and capacity-building support to developing country Parties. It was concerned about the approach of the TEMs being oriented to facilitate and share information from technologies developed by large private companies and transnationals, strengthening public-private sector partnerships, and the use of foreign technologies for specific local needs in adaptation in developing countries. 'The approach is mostly that countries from the North have the technologies and capabilities and that the countries and peoples from the South should get access to such technologies and knowledge based on diversity of incentives and also through the articulation of the supply and demand of technologies,' it said.

Bolivia added that what is still missing in the general debate on enhancing mitigation and adaptation ambition are the actions of indigenous, local communities and local peoples. 'In this regard, indigenous, local, and traditional knowledge systems and practices, including indigenous peoples' holistic view of community and environment, are a major resource for adapting to climate change, but these have not been used consistently in existing mitigation and adaptation efforts. Integrating such forms of

knowledge with existing practices increases the effectiveness of adaptation,' it said.

Bolivia accordingly called for a new topic to be introduced in relation to the TEMs at COP20 in Lima on 'technologies, knowledge systems and practices from indigenous peoples, local communities and local resource users for enhancing mitigation and adaptation'.

**Venezuela** said that it was very uncomfortable with the 'mish-mash' of sub-national, private sector etc. to set ambitious goals and scale up their actions to assist Parties to achieve an emissions pathway consistent with limiting global average temperature rise, when this was the role of national governments.

**Brazil** questioned if the vision of work under workstream 2 is to flow into the 2015 agreement or if it is meant to be kept as a separate track alongside the agreement. It added that a diversity of policy options makes the TEMs exercise useful.

Appreciating the role of TEMs, **South Africa** reiterated that the dimension of implementation has been neglected in discussions. Giving detailed comments on the Co-chairs' draft text, it sought clarity on the kind of outcomes Parties must adopt in Lima. It stressed on the importance of international cooperation initiatives and called for reporting guidelines for them. It called on the Co-chairs to provide a reworked version of their draft text.

**The European Union** said there is no scope to widen the mandate of paragraphs 3 and 4 of the Warsaw decision. On TEMs, the EU said while they are useful, there is no need to be prescriptive. It supported the AOSIS proposal to better capture the output of TEMs. It asked Parties to exercise caution over burdening the Secretariat.

**Norway** said that the TEMs have been useful for sharing mitigation action and that they should continue in 2015. It called for future TEMs on renewable energy, energy efficiency, short-lived climate forces, fossil fuel subsidies and carbon capture and storage and said the scope of the future TEMs could be narrowed down. Referring to paragraphs 3 and 4 of the Warsaw decision, it said the LMDC proposal goes beyond the mandate of the two paragraphs since adaptation does not figure in the mandate. It asked the Co-chairs to present a revised version of the draft text.

**Switzerland** said the focus of the TEMs has to be on mitigation action. It called for a range of actors to participate in the TEMs process. It supported AOSIS's view on the Convention's bodies to engage with TEMs. It also said that while the engagement of ministers in workstream 2 is beneficial, they need to do more than just read statements, and play an active role and take decisions. They can strengthen

cooperation and engage in new partnerships and mobilise resources. It added that it is ready to engage with the draft text prepared by the Co-chairs.

**Canada** said that the Durban mandate was to close the ambition gap through the mitigation effort by all Parties. It supported the AOSIS proposal, especially on TEMs, and said it had potential for high mitigation for both developed and developing countries. On the LMDC proposal, it said that it would significantly limit reducing the ambition gap 'collectively' and asked of the Co-chairs to come up with a new version of their text.

**Japan** said that closing the mitigation gap is a continuous effort and that focusing on mitigation technology would be key. It supported the AOSIS proposal and said that it can be a good addition to the draft prepared by Co-chairs. It did not support the LMDC proposal and said that there is a lot of work happening in other bodies on enhancing mitigation and finance and therefore, these issues should not be taken up under workstream 2.

**Australia** said Parties need to stay true to the purpose of workstream 2 and should focus on highest mitigation potential, enhancing synergies, making the TEMs more focused. It said it cannot support the LMDC proposal and it would not support new submissions under paragraphs 3 and 4 of the Warsaw decision. It also called for a revised draft text by the Co-chairs.

**New Zealand** said it is important to respect the mandate of workstream 2 and that the LMDC proposal goes beyond the scope of that mandate. 'Implementation of BAP strays beyond workstream 2 and is happening elsewhere. We should not have to address it here,' it said. It asked of the Co-chairs to produce another draft text.

**The United States** said that the LMDC proposal would push Parties away from the mandate and that the mandate should not be renegotiated. It added that discussions on paragraphs 3 and 4 of the Warsaw decision are taking place in various bodies within and outside of the Convention, including in the GCF in relation to finance. It referred to TEMs as a useful model to catalyse ambition and said it looked forward to the Co-chairs revising the draft text.

In response to the comments on the LMDC proposal, **China** said it is clear that pre-2020 ambition is not limited to mitigation; it is for all the elements of the BAP. Implementation of the BAP outcome is the fundamental basis to raise the pre-2020 levels and the two cannot be separated, it said. On TEMs, it said that they are useful and they point to the need of improvement in a lot of areas and future TEMs should focus on the mitigation potential of

developed countries and how to increase financial ambition. It also called for the need to generate political engagement of the outcomes from TEMs and to link them to action. ‘You cannot leave this outcome to ministers. There has to be something in between,’ said China. ‘We need to build further ground on political engagement. We need to have some institutional arrangements,’ it said.

Referring to comments that the LMDC proposal expects only developed countries to take action, China clarified that that is not true. The LMDC proposal also talks of how through increased support, developing countries can be enabled to do more on mitigation and adaptation.

In response to Parties, **Nauru** said there should be a decision in Lima that should give continuity to

the workstream 2 process. It also said that Parties could land a mandate for the continued work of the TEMs in Lima. It supported the TEM option proposed by Bolivia and suggested there be a TEM on transport. It expressed caution over the quantity of TEMs and said that for quality, one would have to sacrifice quantity. It looked forward to a revised text from the Co-chairs, which would incorporate the comments received on its proposal.

Following the session, the Co-chairs on 24 October produced a revised draft text entitled ‘Accelerating the implementation of enhanced pre-2020 climate action’, for the consideration of Parties in Lima, in December 2014.

(Edited by Meena Raman.)

### Parties Differ over Technology Transfer and Capacity-building in New Agreement

Bonn, 29 October (Hilary Chiew) – Developed and developing country Parties maintained divergent views on the need for new institutional arrangements for capacity-building and technology development and transfer. The former were of the opinion that existing institutions under the UNFCCC were sufficient while the latter called for an international mechanism for capacity-building and an appropriate mechanism for technology development and transfer.

The contact group of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) met in the afternoon of 24 October to discuss the elements of capacity-building, technology development and transfer and transparency of actions and support in relation to the 2015 agreement. Co-chair Kishan Kumarsingh (Trinidad and Tobago) requested Parties to address all three elements in their interventions.

**The G77-China** rejected the reference in the Co-chairs' non-paper on elements for a draft negotiating text under the chapter on technology development and transfer which reads '*no legal obligation in the agreement*'.

**The Like-minded Developing Countries (LMDC)** noted the lack of success on technology transfer and the implications this would have for the global effort in combating climate change effectively. It also made a plea for developed countries to live up to their responsibility to do much more if they genuinely believe in the global nature of climate change. Speaking for the LMDC, **India** stressed that as Parties worked towards the 2015 agreement, 'it should be clear to all of us that this can only be achieved if the developing countries are helped in their move to low carbon pathways that improve standards of living of their peoples with financial and technology resources necessary to make this transition.'

On the controversial issue of intellectual property rights (IPRs), developed countries insisted that this is not a barrier to technology transfer with **the United States** saying that 'the cost (associated with IPRs) is a penny on a dollar so it is really not a significant cost for the majority of technologies on climate change'. Japan said technology transfer should be done by all Parties and not just Annex II (developed countries) Parties in a post-2020 world.

The developing countries including **the US and Australia** were of the view that the existing Technology Mechanism institutions need not be anchored in the new agreement but issues related to them could be reflected through decisions of the Conference of Parties (COP) if needed.

#### Technology development and transfer

**China** speaking for **the G77-China** expressed concerns over the bullet point in the Co-chairs' non-paper which reads '*No legal obligations in the agreement*' under the technology transfer chapter. It said such a position will not help Parties achieve enhanced actions post-2020. It said there is a need to strengthen the functions of the Technology Mechanism to scale up and speed up actions through the following development of modalities: (i) to operationalise support by developed countries for endogenous technology development in developing countries; this could be done through committing finance and capacity-building resources to support endogenous capacities and technologies in developing country Parties; and (ii) to promote research and development of technology, including financing of climate technology development, access, diffusion, and transfer in developing countries particularly for the development and enhancement of endogenous capacities and

technologies. It also called for the initiation of possible collaboration programmes and the strengthening of linkages between Technology Mechanism and Financial Mechanism as well as for the scaling up of finance support for technology for both mitigation and adaptation actions in developing countries.

It believed that it is necessary to ensure that the 2015 agreement delivers enhanced actions through measurement, reporting and verification (MRV) of the technology actions in terms of its scale, speed, effectiveness, and also the support from developed countries to developing countries.

Speaking for the **LMDC, India** said there can be no doubt that the extent and the nature of the common global challenge can only be addressed through the deployment of appropriate technologies across countries, as applied to the entire range of sectors such as energy, transport, industry, waste management, energy efficiency or agriculture. It reminded Parties that this critical role of technology was clearly understood by the negotiators when they were finalising this Convention in the early 1990s. It was also understood clearly that not all countries were in a similar position in terms of their access to relevant resources and technologies besides a clear understanding of why this was so.

‘The Convention, therefore, contained specific provisions such as Article 4.1 (c) that addressed the requirements relating to technology in the context of differentiation. This was further elaborated under Article 4.5 which prescribed that *the developed country Parties “shall” take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how to other Parties, particularly developing country Parties, to enable them to implement the provisions of the Convention,*’ it said. India added that ‘we are all acutely aware of the lack of success on this front and the implication this has for any prospects of success for global efforts to meet the climate change challenge effectively’.

‘The limited progress on coming up with modalities to achieve the provisions of the Articles of the Convention relating to technology, is plain to all. The establishment of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN) represent very modest beginnings. We remain far from the objective of how to facilitate access to technologies by those who need them but do not have access or the capacity to pay for them. The work done under the Convention so far has often been limited to training for use of certain technologies available outside but not very much on

building R&D and engineering capacities in developing countries,’ it further said.

It highlighted that the LMDC has submitted a CRP on how this issue could be addressed. India said that ‘the CRP really aims to focus on the need to bring down barriers, both cost related and IPR related, along with provision of financing for development and transfer of technologies for mitigation, adaptation and capacity building as a long term solution. The CRP proposes the establishment of appropriate mechanisms for doing this and to set up a specific single window for technology development and transfer under the GCF. The aims of the exercise should be a genuine building of capacity to engineer and develop technologies by developing countries themselves over the medium and long term and not to buy and use the technologies developed by others. This can come only through adequate resource mobilisation and other inputs necessary for endogenous research and development.’

It understood that there are sensitivities with regard to certain kinds of technologies, both for commercial competitiveness and sometimes other strategic reasons but pointed out that there have been several instances of international and multilateral collaboration on technology-specific sectors in the larger public interest for instance in agriculture to raise productivity and crop resilience and in certain instances of healthcare. ‘The Montreal Protocol is also an instance of such collaboration. There are also instances of such collaboration driven by commercial interests in sectors such as aerospace, defence, environment and chemicals. These efforts have included elements of sharing of knowledge and IPRs through collaborative R&D and other such efforts. Such collaborations have also involved a range of stakeholders. The record of their successes has been a very mixed one,’ it added.

However, India said here ‘we are discussing technologies for more sustainable development that will ultimately be beneficial for the entire world community. The underlying tension between competitive urges and the compulsion to collaborate in view of common challenges needs to be substantially resolved. Our developed country partners have the responsibility to do much more on this if they genuinely believe in the global nature of the issues related to climate change.’

It said the standards of living in developing countries remain far below those in developed countries. ‘The options for developing countries in terms of their responsibility towards climate change action seem to be mainly twofold. One, to upgrade

and improve the technologies in use by them to “leapfrog” in a sense, to achieve low carbon pathways but if that is not possible in view of all sorts of problems associated with access to and diffusion of such technologies, the other option would be to continue to fall further back in terms of the standards of living of their populations which would then reduce their carbon emissions.’ That, it said, definitely is not an option that the civilised world can be expected to tolerate or encourage.

‘As we work toward an agreement under the Convention that is applicable to all Parties, and requires climate action by all, it should be clear to all of us that this can only be achieved if the developing countries are helped in their move to low carbon pathways that improve standards of living of their peoples with financial and technology resources necessary to make this transition,’ it concluded.

**Iran** expressed disappointment that developed countries said nothing of their commitments enshrined under the Convention which must be operationalised in the Paris outcome. It said the transfer of technology must be an integral part of the agreement and the GCF must have a technology window to support technology transfer by providing the finance for the differential costs involved to pay for IPRs.

**Belize** for the **Alliance of Small Island States (AOSIS)** said the recently created Technology Mechanism needs to enhance regional capacity and as it would require significant increase in funding to do so, the linkage between the Technology Mechanism and the Financial Mechanism needs to be strengthened.

**Tuvalu** representing the **LDCs** believed that Parties need to find the means to remove the barriers posed by IPRs such as exploring a scheme to identify key technologies that are IPR-free. rather than focus on a blanket approach.

**Bangladesh** said that without financial support, the issue of IPRs cannot be effectively addressed without the GCF specifically funding the cost of IPRs.

**Turkey** wanted the Technology Mechanism to be anchored in the agreement and strengthened beyond 2020. It also said an international mechanism to address IPRs will enable clarification of the role of the private sector and leverage its support.

**The European Union** was satisfied that technology actions are being delivered through existing processes where the Technology Mechanism is fulfilling its mandate. Citing the work of the CTCN, it said the 100 national designated entities are in place to help developing countries to submit

their requests and the CTCN is in a position to respond to needs at the national level with training specifically to help the LDCs.

**Australia** said that the Technology Mechanism is still in its early stage and would need to operate and develop with on-going guidance through the COP and not the new agreement. It did not want to see IPRs as a component of the new agreement. **Japan** wanted the new agreement to facilitate incentives to the private sector rather than creating a new commitment for developed countries in order to be effective in enhancing technology development and transfer. In addition, it said if Parties take into account the post-2020 world, technology transfer should be undertaken by all Parties and not just Annex II Parties.

**Canada** said the Technology Mechanism should be given time to work before changing its functions and agreed with others that IPRs is an enabler for innovation of green technologies rather than a barrier.

**The United States** said many of the institutions created in recent times should be called into service and did not see the need to anchor them in the new agreement and that COP decisions will be enough to take of issues not included in the core agreement. It would not support positions to quantify support for technology development and transfer, noting that the CTCN has just opened its door and the GCF is about to be operationalised and these are major institutions of support.

On IPRs, it said there is an OECD study that states that the cost of IPRs is negligible, adding that ‘the cost is a penny on a dollar’ and so is not a significant cost for the majority of technologies on climate change.

## Capacity-building

To set the scene on capacity-building, the Chair of the Subsidiary Body on Implementation (SBI) Amena Yauvoli (Fiji) was invited to brief Parties on the framework for capacity-building. He said the work on capacity-building in developing countries is guided by the framework on capacity-building adopted by the COP in 2001 and the Durban Forum on Capacity-building established in 2011. He also said the second comprehensive review of the framework in 2011 found that the framework remains relevant but that its implementation needs to be strengthened in many areas.

**China** representing **the G77-China** noted three points: (i) capacity-building is an important element of the 2015 agreement according to previous

decisions; (ii) capacity-building focuses on enhancing capacity of developing countries to implement mitigation and adaptation actions under the Convention. Consequently, the common but differentiated responsibilities (CBDR) principle is applicable; (iii) it is clear that capacity-building does not happen overnight. Developing countries need early and sustained efforts on capacity-building and education.

While acknowledging the successful outcome of the Durban Forum for in-depth discussions on capacity-building and welcoming future sessions, the G77 said that the current exchange of experiences taking place under the Durban Forum requires further strengthening. It called for an international mechanism funded under the Convention including on education, human skills training for planning, implementation, and domestic institutional building, and technology innovation and development of endogenous technologies. 'We, therefore, support the establishment of a capacity-building committee under the Convention, which is reflected in the Co-chairs' non-paper, to facilitate effective implementation at national and regional levels, in line with the existing framework on capacity-building for developing countries. Institutional arrangements should be established as soon as possible to ensure the ramping up of capacities required by the transformative effort we are embarking on in all countries after 2020,' it added.

Speaking for **the LMDC, Iran** said enhanced capacity-building needs to be demand-driven by developing countries and supported by developed countries through specific and quantified finance and technology being provided with financing channelled through the GCF. It also called for the establishment of an international mechanism for capacity-building funded by the GCF and linked to the work of the TEC and adaptation institutions, with an evaluation mechanism to assess the effectiveness of the delivery of capacity-building to developing countries; capacity-building should focus on enhancing capacity of developing countries to implement mitigation and adaptation actions under the Convention, including human skills training for planning, implementation and domestic institution building, and technology innovation and development of endogenous technology.

**Belize** speaking for **the Alliance of Small Island States (AOSIS)** said that for the Durban Forum to be instrumental, Parties should go beyond the space for dialogue and exchanging views. It said access to sustainable development is not a target or commitment that can be bracketed for another date.

All countries, it urged, must share the commitment to accelerate education at all levels for transformation of skills. Action-oriented process i.e. a work programme to identify capacity-building and skills required for addressing challenges to mitigation and adaptation is needed. 'We have an inter-generational response to create an agreement that will be implemented at all levels,' it added.

**Tuvalu** representing **the Least Developed Countries (LDCs)** said it believed the Durban Forum is a valuable process and should be incorporated in the 2015 agreement to give it permanence, political prominence and predictability that it will continue and also to acknowledge its good work. It said this is not to 'freeze it' in time but that it can also evolve even in a legally-binding agreement by subsequent COP decisions. It supported Belize on a further mandate for the Durban Forum. It said a new institution will be effective to foster the exchange of experiences and provides opportunity for capacity-building in the form of a consortium of tertiary institutions. It wanted the GCF to set aside allocation for capacity-building.

**South Africa** said capacity-building is a serious matter for developing countries and Parties had not done well in this area. Notwithstanding its cross-cutting nature and not wanting to undermine the ongoing work of the existing framework, it said the agreement is an opportunity to do more to harness the human and institutional capacity. While it also valued the work of the Durban Forum, it believed there are still gaps which can be addressed by an international mechanism and it would also support the establishment of a capacity-building committee. The success of the capacity-building mechanism will depend on it being linked with other mechanisms particularly the Financial Mechanism and the Technology Mechanism.

**The European Union** saw capacity-building as a cross-cutting issue and an integral part of a support arrangement but not as part of the agreement. Therefore, there was no need for a new structure as there is the Durban Forum and the existing framework is still valid.

**Australia** said the existing capacity-building framework is sufficient and did not see the need for further addressing capacity-building through the ADP and the 2015 agreement. **Japan** said it saw support for capacity-building being enhanced under the Durban Forum, which in turn can be strengthened through bilateral assistance which it is actively supporting.

**The United States** said Parties had made substantive progress in the last five years on the work

of capacity-building. It said all Parties agreed that it is a substantial and a major priority and the US had provided capacity-building both under the UNFCCC and its bilateral relationship with many countries in the room. It said the SBI chair had outlined how capacity-building is a core task of many bodies under the Convention such as the TEC, the CTCN, the LDC Experts Group, and the Durban Forum which allowed countries to further build their capacities that would feed back into the processes; hence there was no need for capacity-building to be included in the 2015 agreement.

**Canada** echoed the US' views, adding that capacity-building is a cross-cutting subject and

cannot be addressed in isolation but should be tackled in the broader implementation of mitigation and adaptation.

**Switzerland** did not see the need for a new institution nor to include capacity-building in the new agreement. It said the agreement should instead build on the established institutions through the COP's decisions to take these institutions forward. Reacting to Tuvalu, it expressed concerns that having the institutions anchored in the agreement will hamper the review of the functions of these institutions.

(Edited by Meena Raman.)

### Divergent Views over ‘Transparency System’ for Action and Support

Bonn, 30 October (Hilary Chiew) – Differences of views emerged among Parties on the nature of the ‘transparency system’ for ‘action and support’ for the 2015 agreement.

Developed countries are pushing for a common measurement, reporting and verification (MRV) system (related to mitigation actions) that is applicable to all for the new agreement, while most developing countries stress the importance of a differentiated approach.

Developing countries cautioned against the ‘one-size-fits-all system’ as the transparency arrangement should be differentiated between developed and developing country Parties based on the relevant articles of the Convention. **The Like-minded Developing Countries (LMDC), South Africa** and **Brazil** stressed that the recent existing MRV arrangements under the Convention should be given time to be implemented.

**The European Union** called for a core set of rules that apply to all Parties and other rules differentiated according to ‘commitment types’ of countries. It could not support different rules in a binary way according to the current Annexes of the Convention.

These views were expressed at the contact group of the UNFCCC’s Ad Hoc Working Group on the Durban Platform (ADP) held in the afternoon of 24 October in Bonn, Germany. Co-chair Kishan Kumarsingh (Trinidad and Tobago) presided over the discussion. Transparency of action (related to mitigation) and support (related to the means of implementation) is one of the elements for the draft negotiating text for the 2015 agreement.

**Saudi Arabia** representing the **LMDC** said transparency arrangements should be differentiated between developed and developing country Parties based on the Convention, where Annex I Parties are subjected to enhanced MRV for comparability of

efforts on mitigation, building on National Communications (NCs), Biennial Report (BR) and International Assessment and Review (IAR) modalities, while non-Annex I use existing MRV procedures of NCs, Biennial Update Reports (BURs) and International Consultation and Analysis (ICA) as these are new mechanisms that should be given the opportunity to be fully implemented.

It further said that enhancements are needed with respect to the transparency of the provision of support to developing countries, including financing and technology transfer, to ensure that finance and technology commitments are being fulfilled by Annex II Parties and that there is a comparability of efforts between themselves. Provisions of the MRV of support provided by developed countries to developing countries should be an integral part of the 2015 agreed outcome, it added.

**China** reminded Parties that providing transparent information is not only one of the obligations under Article 12 and Article 4.1 of the Convention but it is to demonstrate that Parties are fulfilling their commitments under the Convention. Therefore, the transparency framework must echo the commitments under the Convention. It said, therefore, the three pillars of the framework are transparency of action by Annex I Parties, transparency of support by Annex II Parties and transparency of action by non-Annex I Parties. It disagreed that compliance should be placed in the scope of transparency framework as it would prejudice the final outcome of the new agreement (in terms of its legal form).

China said transparency is not enough to enhance mutual trust. For example, it asked, if a Party transparently states that it will decrease its ambition on climate change actions or if a Party transparently states that it will quit the multilateral rules-based climate change mechanism, would that enhance

mutual trust? As such, it said the only way to enhance mutual trust is to fulfil commitments under the Convention and the transparency framework is to show how Parties are fulfilling their commitments.

It pointed out that transparency of action not only refers to quantified emission reduction targets but they also include actions on adaptation, technology development, capacity-building and mitigation actions that indirectly result in greenhouse gas (GHG) emissions reduction. It said providing more detailed GHG inventory information has already increased the burden of non-Annex I but they are trying to improve on their information since they treat it as their fulfilment of their commitments under the Convention.

On transparency of support, it said Parties must bear in mind that providing support is the commitment of Annex II Parties and not the obligation of developing countries. It said the biggest problem is that there is no agreed methodology for MRV of climate-related finance, noting that without common definition, metrics, methodology and accounting rules for finance, Parties cannot improve the transparency of support with just common reporting templates.

It described the inclusion of South-South cooperation in the Co-chairs' non-paper (on elements for the draft negotiating text) as a strange idea as it is outside of the Convention. It said the cooperation is a contribution to the global effort to combat climate change but it should not be confused with the commitment of Annex II Parties under the Convention.

**Chile** speaking for the **Independent Alliance of Latin America and the Caribbean (AILAC)** believed that the 2015 agreement should be built on the current MRV system using the existing rules of the Kyoto Protocol (KP), annual GHG inventory and accompanying processes such as the BUR and IAR. It wanted the MRV framework to be integrated into a single dynamic system which includes the provision of necessary support for countries to progressively enhance their data collection and analysis capacities. It said adequate common accounting provisions must be included to ensure MRV is effective and the compliance of each country with its committed contributions. The accounting provision should ensure certainty in the treatment of land use sector, in the international trade of carbon units to ensure no double-counting and the method used for generating credit assures environmental integrity.

Noting that the MRV of support is less developed, Chile said the agreement should include effort for tracking financial flows including

information on donors and recipient countries, adding that an MRV system as such should be based on a common agreed definition of climate finance to avoid double-counting of resources for mitigation and adaptation action, as well as public and private resources. The agreement, it said, should include an explicit link between the MRV system and the compliance mechanism where the system serves as a trigger for the mechanism when non-compliance becomes evident.

**South Africa** said detailed systems for transparency including BUR and IAR have been developed which are being implemented currently. Developing countries have made significant advancement on the frequency of reporting (on their climate actions) every four years and update every two years offering full transparency. On the suggestion (by developed countries) to consolidate the IAR and ICA into one single system, it said it is not in a position to agree to the 'one size fits all system'. It said what was negotiated in good faith not so long ago provides for sufficient nuance in the differentiation (of countries).

It does not think there is a need for the development of long or detailed provisions on MRV in the agreement. Instead what is needed is to enhance reporting of support by developed countries as there is a big gap in terms of transparency of support.

South Africa said the new agreement should take the work of the Subsidiary Body for Scientific and Technological Advice (SBSTA) forward. It said Parties must understand that transparency is not a substitute for legal force, and that it had fundamental difficulties with the approach of doing away with a legal force. It emphasised the need to talk about the legal nature (of the agreement).

**Brazil** agreed with South Africa that there are regular modalities and procedures in place for reporting of actions. Hence, there is not much room for innovation in the new agreement as Parties had just agreed on new procedures for MRV that should be implemented before reviewing them. It further stressed that the modalities (BUR and ICA for developing countries) will be reviewed at some point in the future and did not see why this should be done through the new agreement. Noting that several Parties called for a durable agreement, it reminded that to enhance actions, transparency of action and support should be seen in the same light. 'We need to match not just action but how much support is being offered to reach there,' added Brazil.

**The Marshall Islands** said it whole-heartedly agreed with and supported South Africa that transparency is not a substitute for legal force. It said

the transparency framework should strengthen Parties' commitment over time with no backsliding on the details. It also said the current biennial MRV cycle should provide flexibility to countries with low capacity.

**Bangladesh** said it was important to take the lessons gained from the first BR and the ongoing IAR process to see how effective they are and how to bring them into the agreement. It noted that it is easier to anchor existing processes, and the processes should enhance mutual trust and are tailored for diverse commitments and actions.

**The European Union** said Parties need to find common ground for a rules-based regime that is built to last and believed there is enough time between now and Paris (where the 2015 agreement is to be concluded) to develop the necessary rules. It suggested to first define rules which have significant impact on the level of efforts by Paris while the second category of rules applies to those that will have little impact on efforts but that need to be further developed after Paris.

It said the agreement should have a provision to ensure that once a gas, sector, category, activity area of land or pool is accounted towards a commitment, it should continue to be accounted for in the future, adding that accounting should include significant sources and sinks and be increasingly comprehensive with accomplishment over time. In building an agreement for the long term, the technical framework should be included not in the agreement but in COP decisions to enable improvement over time.

As for the MRV framework, it said it is difficult to inform without national inventories and it is important to set some rules such as the use of common metrics and methodologies. It wanted a core set of rules that apply to all Parties and other rules differentiated according to commitment types. It could not support different rules in a binary way according to the static Annex of the Convention, adding that a common MRV framework does not mean all Parties doing the same, as the Intergovernmental Panel on Climate Change (IPCC) guidelines offer sensibility to take into account national capacity and capabilities.

The EU said that in the land sector, it is crucial to strengthen the rules-based regime by not just accounting for removal by sinks but emissions by sources. Accounting for the land-use sector should be based on realistic and meaningful reference levels in order to maintain the integrity of the commitments. Such reference levels should mainly be based on historical data and the long-term trends in historical

emissions. Parties could be able to use a voluntary provision to deal with natural disturbances. It also said it is important to establish a compliance regime applicable to all Parties to enhance trust and confidence. It saw common ground with the AILAC position on gradually scaling up and also New Zealand's detailed elaboration on land sector accounting principles. It did not share views that accounting rules apply to only Annex I Parties.

**Australia** said the substantive work done on transparency needs to be updated. It said the transparency system must be fit for the purpose of commitments and the cycle of contributions. It had concerns with the binary approach which applies a straight set of standards which does not encourage improvement to best practices. It said clarity on accounting treatment will be material if countries are comfortable with formalising their intended nationally determined contributions (INDCs). At Paris, it said, Parties should think of the basic terms of an accounting framework rather than a detailed accounting rule book. It said countries should measure emissions according to IPCC metrics and methodologies.

On the land sector, it said the rules should incentivise emission reductions by treating the land sector like other sectors in making a contribution toward countries' commitments; recognising emissions and removals; and excluding non-anthropogenic emissions. Parties can also use units from credible market mechanisms to meet commitments should they choose, with rules to avoid double-counting and allow tracking of unit transfers.

**Japan** believed that transparency of actions has to be a common system applicable to all Parties. The current IAR, ICA, BR and BUR based on (the differentiation) of Annex I and non-Annex I should be evolved and streamlined. It said rules of accounting are the cornerstone in ensuring transparency and therefore have to be taken into account when presenting INDCs. Parties that make use of the land sector to achieve their INDCs should describe the methodology to identify the amount of GHG removal and emissions. Accounting should be flexible to give incentives to reflect national circumstance, and accounting rules for market mechanisms should be developed.

On transparency of support, it was of the view that the existing process is functioning effectively, adding that Japan and other donor countries provided detailed reports both during the workshop of the Standing Committee on Finance and through the biennial assessment report. It said the area where Parties can strengthen this is to increase the transparency of all donors and the recipient countries.

**Norway** said the agreement needs a solid framework for reporting which treats transparency of actions and support as a whole. It believed the arrangement can be developed further into one common system under the agreement. It wanted rules for measurement of emissions to be based on a tonne of CO<sub>2</sub> equivalent. It wanted rules to keep track of the use of market-based mechanisms to ensure no double-counting of credit and to ensure environmental integrity. It supported further inputs by the EU and Australia on the rules and principles, and agreed that many details can be developed through COP decisions and need not be anchored in the core agreement.

**New Zealand** said transparency is at the heart of the agreement. It said the new agreement needs an MRV system that 'is consistent with the hybrid approach we are designing; hence a common MRV framework with built-in flexibility'. Such a framework needs to be established as a principle in the Paris agreement with the details based on the current ICA and IAR arrangement fleshed out in COP decisions which could be adjusted as it expected a common MRV framework to apply in the post-2020 arrangement. It said the new MRV system must be common to all so that the principle of transparency is universal, flexible but ensures integrity.

On the land sector, it said it had put forward a submission outlining the principles of accounting where Parties may use mitigation in the land sector towards their nationally determined mitigation commitments. It also said the implementation of mitigation activities, policies and measures in the agriculture, forestry and other land use sectors should contribute to the conservation of biodiversity and sustainable use of natural resources, and should not constrain food production. It sees the option of using units generated through a carbon market mechanism that is a central part of the Paris agreement.

**Canada** foresees a common post-2020 transparency and accounting framework but one which is flexible enough to suit special national circumstances. It said the framework can be built on the current MRV system that generates vital

information but should be simple enough so there would be no undue burden on Parties or the UNFCCC secretariat. It wanted the agreement to lay out the core commitment that will guide Parties in this transparency framework where all Parties will participate including in its regular review. Echoing New Zealand, Norway and the EU, it said the core agreement need not elaborate on all the details and where more details are required, the agreement should mandate the COP to take specific guidelines like a review process, and the agreement should be fit for the purpose in the post-2020 context.

**Switzerland** said the rules-based regime has to be the same for all Parties. It would like to see legally-binding, unconditional and quantifiable actions to be reflected in the new agreement as an enduring characteristic of the INDCs and key accounting rules like no double-counting for transferable units and principles to improve accountability over time.

**The United States** said the agreement itself should provide for a COP decision that outlines how a unified transparency system will work. It said the agreement could clarify the objective of the transparency system to elicit accurate information on emissions. It is not to be punitive but everyone can improve reporting over time.

It saw three characteristics of the system: (i) a set of reporting guidelines for all Parties on emissions through national inventories and progress towards contributions in regular reports; (ii) the guidelines should be flexible to allow Parties to respond as their circumstances allow, noting the IPCC tiered approach as a good example that provides flexibility for Parties with varying capacity; and (iii) the review component of this system should provide feedback on how to improve. In the post-2020 context, it would like to see greater emphasis on the utilisation of finance and would support development of guidelines for reporting which can be referred in the agreement but developed after 2015.

(Edited by Meena Raman.)

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### Views and Approaches for 2015 Outcome Remain Divergent

Kuala Lumpur, 3 November (Hilary Chiew) – At the last contact group meeting of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) on 25 October, Parties continued the exchange of views on the elements of mitigation including its cycle (of commitment periods) and the legal form of the new agreement.

The ADP meeting was held on 20-25 October in Bonn.

Most developing countries denounced the notion of self-differentiation, which allows Parties to determine their respective mitigation efforts, as rewriting the UN Framework Convention on Climate Change, with Brazil warning that ‘it will not take us to an agreement’ (in 2015) and South Africa echoing that ‘this is aiming for the lowest common denominator’.

China was of the view that forcing developing countries to raise their ambition is tantamount to the transfer of commitments and obligations from developed countries to developing country Parties and the dilution of the principle of equity and equitable access to sustainable development.

Brazil’s concentric cycle proposal on mitigation drew substantial interest from Parties including some developed country Parties i.e. New Zealand and Canada. Bolivia said that there is a possibility for its integration with its own proposal of a compound index of the global emissions budget.

Developed countries meanwhile maintain their view on self-differentiation to encourage broad participation, with the European Union strongly noting that major economies should also have economy-wide absolute targets.

At the outset, the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), Emanuel Dumisani Dlamini (Swaziland), was invited to brief delegates on the on-going work of the 2013-2015 Review. He said the Review is

mandated by the Conference of Parties (COP) to assess the adequacy of the long-term global goal of limiting global warming to below 2°C compared to pre-industrial levels, and the overall progress made towards achieving this goal, including a consideration of the implementation of the commitments under the Convention.

He informed delegates that the review, initiated in 2013 and scheduled to conclude in 2015, is a first in the history of the Convention. It is also considering strengthening the long-term global goal, referencing various matters presented by science, including in relation to temperature rise of 1.5°C, and COP21 in Paris (2015) is expected to take appropriate action based on the outcome of the review.

The SBSTA and the Subsidiary Body for Implementation (SBI) established a joint contact group which is supported by a structured expert dialogue (SED), aiming to ensure the scientific integrity of the review through a focused exchange of views, information and ideas. Since its inception, SED has convened three times and considered the key contributions of Working Groups I, II and III of the Intergovernmental Panel on Climate Change (IPCC) to the Fifth Assessment Report (AR5) and information from some UN agencies, reports from Parties and other processes under the Convention. He said in Lima (COP20), SED 4 will look into the IPCC’s AR5 Synthesis Report and information from other UN agencies.

Dlamini said at SED 2 and 3, we learned from the IPCC that climate-related impacts are already happening at the current degree of warming of 0.85°C above pre-industrial levels with significant adverse effects, and that increasing magnitudes of warming will only increase severe, pervasive and irreversible impacts. This, he said, is an indication that any upper limit of global warming can no longer be seen as a safety warranting guardrail for

preventing any dangerous anthropogenic interference; hence the question about societally or otherwise acceptable risks of climate impacts needs to be discussed. He added that the AR5 which provides an analytical solid framework can provide a foundation for a collective agreement on how much global warming is acceptable.

Remaining on a 2°C pathway requires technology development and diffusion at an unprecedented scale and such efforts become more urgent for limiting warming below 1.5°C as delaying action has significant implications, including in terms of considerable higher costs, technology lock-in or loss and damage, stressed Dlamini.

He pictured the science-policy interface (the SED) as a bridge ‘that we need to walk on it from both directions and meet in the middle’.

Presenting its proposal of the compound index of the global emissions budget, Bolivia said that there is a possibility for its integration with the ‘concentric differentiation’ proposed by Brazil.

Presiding over the session, ADP Co-chair Artur Runge-Metzger (the European Union) requested Parties to consider the three topics of contribution cycle, mitigation and legal form.

**Tuvalu speaking for the Least Developed Countries (LDCs)** said for mitigation, it would suggest two categories of countries that will inscribe numbers to the annex of the 2015 agreement that reflect current circumstances. It said the legally binding commitment is not necessarily frozen in time but can be amended by COP decisions but the amendments must be an upward movement for a higher level of commitments. Countries in the category called ‘Annex A’ will be expected to implement quantified economy-wide emission reduction with standard sets for the land sector, in the international transportation sector, use the common metrics and IPCC 2006 guidelines while ‘Annex B’ countries will have greater flexibility.

It suggested that Annex A Parties establish their own national emission trading schemes as it is not convinced that an international scheme is ready for consideration but would need more time to see if such a scheme can achieve net emission reduction. It believed all Parties should take effort to reduce deforestation and forest degradation by looking at the demand and supply of drivers of deforestation and explore further the safeguards measures. It also wanted the agreement to address the impacts resulting from response measures on emission limitation and suggested that the forum on response measures be made a permanent institution to allow for on-going dialogue in this process.

Tuvalu believed that the measurement, reporting and verification (MRV) of commitments should be linked to the process of international assessment and review (IAR) with a technical expert team, and biennial reports for international assessment should be reviewed by the COP on a regular basis. It is also of the opinion that the MRV system devised for the new agreement is not the system devised for the intended nationally determined contributions (INDCs), adding that the INDCs should not be a precedent for an MRV in a legal agreement.

It said a five-year cycle is absolutely critical as LDCs cannot afford to wait but need certainty of actions. It said its greatest fear of the 10-year cycle of the Kyoto Protocol has been realised where the group of countries pushing for a 10-year cycle has not ratified the Doha Amendment (for the second commitment period of the Kyoto Protocol). Citing the case of one country which has not ratified the Kyoto Protocol (referring to the United States), Tuvalu said, ‘The chain is only as strong as the weakest link and we do not want to pander to the weakest link. No doubt we will hear that industry needs 10 years to plan but we say this is nonsense. Look how quickly new green technologies have entered the market place.’ It further said the market can work quickly if we give the timeframe for them to respond, noting that China produces more solar panels despite the World Trade Organisation’s dispute, adding that the 10-year cycle is institutionalised subsidy for dirty industries. It said we should not create excuses for slow responders and reward slow movers.

On the proposal for a mid-term review by those advocating a 10-year cycle, Tuvalu said experience showed how half-hearted these reviews are and they are only nice in theory. Citing the INDCs process which is based on ‘you show me yours, I show you mine’, it said a strict process is needed so everybody puts on the table what they can do. It also said we need to time our response according to the IPCC’s report cycle.

On legal form, it believed that we need to lock in a legally-binding agreement and a formal protocol that consider all key elements, and annexes are enshrined and not pushed aside with COP decisions. It is not in favour of an ‘opt-in and opt-out’ process that just opens the door for people to escape.

**Representing the Alliance of Small Island States (AOSIS), Nauru** said Parties need to establish a process to aggregate and compare with the global goal. On mitigation, it said the broad context of the agreement should be science-based and consistent

with getting on track with the long-term temperature goal of 1.5°C and consider the outcome of the review. With the (new) protocol, it envisaged universal participation, time-bound mitigation commitment by all Parties based on common but differentiated responsibilities (CBDR) and developed countries taking the lead. It said it is important to have clarity (of mitigation commitments) by Lima (COP20) to guide preparation of the INDCs and reflected in the elements and INDCs texts.

It also wanted Parties to consider aggregating INDCs in terms of the long-term goal before inscribing them as commitments in the protocol. It stressed that there should be no backsliding and all developed country Parties should have QELROs (quantified emissions limitation and reduction objectives), and recognising that developing countries will need scaled-up support to increase their ambitions.

It lamented that there was no opportunity to discuss loss and damage (at the recently concluded October session) but hoped for time to address this issue that is important for the most vulnerable countries. It also found that the issue of legal form was inadequately addressed and looked forward to doing so in Lima.

**Sudan representing the African Group** said the contribution cycles should be elaborated under the INDCs which should be an integral part of the agreement text. It should include mitigation, adaptation, finance, technology transfer, capacity building and transparency of action and support to facilitate the operationalisation of Article 4.7 of the Convention. It said the contribution information should be formally communicated through the UNFCCC secretariat followed by equity and ambitious assessment through a principle-based reference framework. It wanted the outcome of the ADP in Lima to spell out the provision defining that process.

It said the length of the cycle should not allow for lock-in of low ambition, hence a mid-term review for a cycle longer than five years and further consideration of indicative cycles. Early support for the implementation of INDCs for developing countries by developed countries is particularly important to ensure sustained and predictability of finance such as using a percentage of GDP target or percentage of climate finance flow. This, it added, will encourage mainstreaming of the financial obligation of developed countries in their national budgeting and planning processes. It saw the periodic review as the basis for *ex-post* assessment even though definition of the mandate of modalities could be necessary.

**Panama speaking for the Independent Alliance of Latin America and the Caribbean (AILAC)** said the cycle of contribution must be built on the understanding that the INDCs cover mitigation, adaptation and means of implementation which, however, must not be treated symmetrically. There should be no backsliding of the contributions and the cycle to be addressed in a specific section of the agreement with direct reference to the annex how the cycle will work in the long term. It said the agreement must explicitly mandate each Party to inscribe its contribution in a depository and subjected to an *ex-ante* process before inscription.

For commitment and review, it proposed that the information required is agreed by COP20 in Lima, countries communicate their INDCs and rules (developed) in an *ex-ante* process. Because of the different nature of contribution, it said there should be different *ex-ante* assessments. After the assessment, the contribution can be revised if necessary and inscribed in the depository. It said Parties should enhance their reporting system and wanted an *ex-post* review process to evaluate each country achievement and aggregate towards the global goal while adaptation will have different treatment for this *ex-post* stage.

**China** stressed that the 2015 agreement is to enhance action on implementation of the Convention for the post-2020 period as indicated in the title of the ADP, which is the Durban Platform for Enhanced Action. Following this approach, it said, therefore, the mitigation chapter of the agreement should be arranged according to common enhanced mitigation action for all Parties and differentiated enhanced mitigation action by developed and developing countries respectively after 2020.

On the common aspect, it said there should be a provision that all Parties shall enhance their commitments and actions on mitigation in accordance with Article 4.1 of the Convention, including updating their national and regional programmes on measures related to mitigation. On the differentiated aspect, there should be a provision that all developed country Parties put forward their comparable economy-wide absolute quantified emission limitation and reduction commitments (QELRCs) without any conditions in accordance with their historical responsibilities and requirements by science.

The 2015 outcome, it said, should provide for further strengthening of developed country Parties' emission reduction targets which should be further strengthened compared to their QELRCs under the second commitment period of the Kyoto Protocol or pre-2020 comparable mitigation commitments

(for UNFCCC Parties that are not Parties to the Protocol). These targets, it clarified, must be emission reduction targets, not emission limitation targets any more. ‘Since we should enhance action after 2020, there will be no limitation but only reduction for developed country Parties after 2020,’ it emphasised.

Developing country Parties, meanwhile, should continue to undertake diversified enhanced mitigation action in the context of sustainable development, supported and enabled by finance, technology and capacity-building from developed country Parties.

It suggested that there could be a list of options on enhanced mitigation actions that developing countries could choose in accordance with their specific needs and special circumstances as set out in Article 3.2 of the Convention such as intensity targets, business-as-usual, low-carbon strategies and mitigation plans as well as specific mitigation policies and projects in some areas.

It also wanted the agreement to include the establishment of an international institution on response measures (related to impacts on developing countries of implementation of response measures by developed countries).

Commenting on the Co-chairs’ non-paper (on elements for a draft negotiating text for the 2015 agreement) regarding no backtracking or backsliding, it said it should mean all Parties should do more than their pre-2020 efforts. However the starting points for the post-2020 actions by developed and developing countries are different.

On the long-term goal on emission reduction, China pointed out that the non-paper failed to capture the shared vision of the Bali Action Plan enshrined in paragraphs 1 to 3 of decision 1/CP.18 which is applicable for the period till 2050.

It said commitments and enhanced action of developed and developing countries should be reflected as two different attachments to the 2015 agreement in which developed countries use the common template and developing countries through compilation of their national communications to incorporate the diversity of the enhanced actions.

It reiterated that INDCs are not an end but a tool to achieve the end to adopting the agreement, stressing that the 2015 agreement is not an INDC agreement but the arrangement for commitments and enhanced actions under the Convention for the post-2020 period.

On the cycle of contributions, China said there are two kinds of cycles in terms of implementation and ambition. The virtuous cycle sees developed countries taking the lead to substantially reduce their

emissions and provide adequate finance, technology and capacity-building to developing country Parties, especially the small island developing states (SIDS), the LDCs and Africa. This, it opined, will build mutual confidence and trust where developing countries continue to enhance their actions on mitigation and adaptation, and developed countries continue taking the lead for the next decade. On the other hand, the vicious cycle happens when there is lack of ambition and even backtracking of the emission reduction and provision of support, resulting in no mutual trust but only transfer of responsibilities and blame game. (In such a scenario), developing countries lack confidence and capacities to further enhance their actions and ambitions on addressing climate change.

China set out five aspects for raising the post-2020 ambition level:

- Full scope – all the pillars of the Convention i.e. mitigation, adaptation, and provision of finance, technology and capacity-building to developing country Parties should be addressed in a holistic and balanced manner.
- Not ‘reinventing the wheel’ – existing arrangements for review are sufficient. Therefore, the urgent and prior task is anchoring and strengthening these existing arrangements (in the agreement) and not prolong the process of the ADP negotiations.
- Differentiation – after 2020, Parties could deal with three kinds of ambition issues under the three different sub-tasks related to ambition: (i) increasing the mitigation ambition by developed country Parties, (ii) enhancing the ambition on providing finance, technology and capacity-building by developed country Parties, and (iii) further enhanced actions by non-Annex I Parties on mitigation and adaptation, including the barriers and needs of support.
- Linkage between pre-2020 ambition and post-2020 ambition – the Revisit Mechanism agreed in Doha could be the starting point of the post-2020 arrangement related to level of ambition and developed countries should revisit and increase their post-2020 emission reduction targets based on the experience from the Revisit Mechanism with a view to demonstrating their leadership. The Kyoto Protocol Revisit Mechanism is the only arrangement with legitimacy and Parties could gain experience for the post-2020 ambition by operationalising this mechanism.

- Encouraging but not forcing – the ‘ambition’ of developing countries should focus on the extent of the implementation of their enhanced mitigation actions. The key to further enhanced action by developing countries is the further provision of finance, technology and capacity-building by developed countries. Use International Consultation and Analysis (ICA) and Nationally Appropriate Mitigation Actions (NAMAs) to help developing countries identify their needs and barriers on implementation and further actions after 2020. It is not practical to use the ‘step approach’ (proposed by the EU) to force developing countries to raise their mitigation ambitions or adjust their enhanced action on mitigation and adaptation as this would cause the transfer of commitments and obligations from developed to developing countries and dilute the principle of equity and equitable access to sustainable development.

China supported a 10-year timeframe target to ensure long-term certainty to policies and markets on low-carbon development while noting the five- or 10-year debate. It said developed country Parties should submit both five-year and 10-year targets while developing countries could have diverse enhanced actions with flexible timeframes in accordance with their special circumstances. It disagreed with incorporating the cycle of mitigation into the 2015 agreement as it reckoned the most durable international regime to combat climate change is by enhancing the implementation of the Convention through further concrete and practical actions under the six elements (mitigation, adaptation, finance, technology development and transfer, capacity-building, and transparency of actions and support) and not by creating a new, ‘durable’ regime to replace the existing regime.

It, therefore, proposed four attachments to the agreement – the emission reduction targets by developed countries in the common format, the enhanced mitigation action by developing countries, the post-2020 finance targets and clear finance roadmap by developed countries, and the post-2020 policies and measures on technology and capacity-building support by developed countries. It noted that as we cannot at this stage prejudge the legal form of the agreement, we therefore could not prejudge the legal form of these attachments.

On compliance, it said the issue is related to the legal form which will be determined by the substantial content of the agreement. Therefore, it preferred to discuss the legal form and compliance issue later.

**Bolivia** proposed the distribution of a global emission budget among Parties for mitigation through the development of a compound index of countries’ participation. It said the only way for developed countries to take the lead in combating climate change is to keep the top-down approach of the Kyoto Protocol in the 2015 agreement.

‘The top-down approach implies the distribution of a “global emission budget” between developed and developing country Parties based on the operationalisation of the principles of equity and CBDR. The emission budget can be calculated in accordance to the outcomes of the IPCC AR5 report considering how many gigatonnes shall be distributed among Parties between the period from 2015 to 2050 for keeping the temperature below the 1.5°C,’ it said.

Although the global emission budget associated with limiting warming to below 1.5°C is below 630Gt of carbon dioxide, still it imposes a significant risk to the integrity of Mother Earth, said Bolivia. Therefore, it added, this implies that we must set a limit on global greenhouse gas (GHG) emissions, including historical and future emissions. For this, we consider that we can use the RCP 2.6 (Representative Concentration Pathways) scenario of the IPCC report on mitigation.

[Representative Concentration Pathways are four greenhouse gas concentration trajectories adopted by the IPCC for the AR5. They are based on selected scenarios from four modelling teams/models working on integrated assessment modelling, climate modelling, and modelling and analysis of impacts. They describe four possible climate futures, depending on how much greenhouse gases are emitted in the years to come. These four RCPs, RCP2.6, RCP4.5, RCP6, and RCP8.5, are named after a possible range of radioactive forcing values in the year 2100 relative to pre-industrial values. Radioactive forcing is the change in the balance between incoming and outgoing radiation to the atmosphere caused primarily by changes in atmospheric composition.]

According to the Bolivian proposal, the compound index of countries’ participation in the global emission budget will consider the integration of the following indices:

- Index of Historical Responsibility
- Index of Ecological Footprint
- Index of Capabilities (technological and financial)
- Index of the State of Development: including multidimensional poverty, poverty by income, and index of human development.

The compound index determines a fair share of effort for each country in order for the world to stay within the remaining emissions budget. This implies that countries that have higher historical responsibility, higher ecological footprint, higher capabilities, and higher state of development, will also have a lower share in the emissions budget. This is because of its higher historical responsibility with climate change in addition to its larger capabilities to address climate change and its higher degree of development. As a result of the calculations using this index we will be able to locate each country within a range of emissions in the global emissions budget, considering at least three categories: high share of emissions; medium share of emissions; and low share of emissions.

Bolivia also considered that there is a possibility for the integration of this proposal of the 'compound index of the global emissions budget' with the 'concentric differentiation' proposed by Brazil.

In addition, it said this index allows implementing in a comprehensive manner Article 4.7 of the Convention, which means providing support from developed countries to developing countries (through finance, technology transfer and capacity building) for using their remaining share of emissions with a view of building their sustainable development pathway and achieving poverty eradication goals.

**Jordan** said its understanding of the cycle is to define a timetable and steps to ensure transparency of contribution and further to promote the understanding of Parties' contribution in ensuring that the ultimate goal of the Convention and the 2°C goal can be achieved through such a mechanism.

Based on this understanding, it proposed a four-step cycle: (i) formalisation of procedure; steps and rules during 2014; (ii) from 2015, some countries can communicate contribution by the first quarter while others seek clarification of contribution and some start inscribing their contribution and this process continues to 2020; (iii) in the post-2020 i.e. from 2020 to 2030, an *ex-post* review process could be set in the middle of the commitment cycle i.e. 2025 to review the progress on implementation of contribution and an adjustment mechanism and that the review should cover all elements; and (iv) a new cycle of contribution starts after 2030.

It believed rules should be tailored according to the diverse commitment of developed and developing countries and a review process to reflect differentiation between two groups of Parties, and their contribution should be reconsidered and adjusted in the technical and practical level and change according to national circumstances. The

review mechanism must be non-intrusive and adjustment of fair contribution is done in an upward manner. Review of the implementation is to find the gaps of the actual needs of developing countries and support is put in place.

**Saudi Arabia** supported the views of Jordan and China. It said for the past 23 years, we had been talking to each other and designing the work from a legal point of view of what Parties can do but forgetting what is happening on the ground. It said we should seize the opportunity offered by this new process. Instead of speaking on high ground, we should give more time for implementation that is missing.

For mitigation, it stressed that Parties need to address the question of economic and social consequences arising from the impacts of implementation of response measures on developing countries by developed countries. Helping developing countries to achieve sustainable development will help them with mitigation, it said, adding that if we just talk about mitigation, we will be doing a disservice to ourselves.

**Brazil** agreed with most Parties that spoke about the necessity for the 2015 agreement being durable and flexible. It said anything that is too rigid by definition cannot be durable. On the cycle of the INDCs feeding into the agreement, it said it has to be a dynamic cycle, conveying the notion that it is not static and that it will get it right.

It said Brazil is going to put in a submission on how it sees this dynamic contribution cycle. However, it explained that it would be based on a 10-year cycle with a five-year contribution term, adding that the purpose is to allow for adjustment to enhance ambition while at the same time provide a long-term perspective for Parties.

Each cycle (of 10 years) will include a five-year contribution term and a five-year indicative term. Before the end of the contribution term, the indicative term will be adjusted and confirmed and another indicative term submitted. The adjustment will be made on their INDCs over the global picture and allow countries to conduct national processes to adjust their NDCs (nationally determined contributions) for the subsequent contribution and indicative terms. In this manner, it further said, before 2020, all Parties will register their 2025 and 2030 terms. 'Between 2020 and 2023, the COP will conduct the first aggregate process and produce a set of decisions or recommendations to be taken into account by Parties when adjusting their NDCs. Between 2023 and 2025, Parties make adjustment to NDCs at their national level and at the international level, Parties will submit their respective 2025

(contribution) and 2020 (indicative) NDCs,' it explained.

During the implementation phase, the COP will regularly assess with the view to inform Parties to adjust their NDCs in all pillars of the Convention to keep temperature rise below 2°C, the adequacy, scale and predictability of contributions for developing countries. The process, it said, will be consistent with science and equity and be guided by the registry of the means of implementation, as well as National Communications, other communications and the recent IPCC report regarding each country's share in global temperature increase.

On differentiation, Brazil is against pure self-differentiation that some Parties are looking for as this is something that will not take us to an agreement. It is of the view that we must link preserving the principles of the regime while giving it necessary dynamic to move us to a durable agreement. Referring to the idea of a 'concentric circle' in its planned submission, it said the agreement must create an incentive for Parties to move to the centre of the circle which will be the economy-wide targets.

It stressed that it does not want to give the idea that it is reintroducing something new but rather it has been saying this all along but perhaps was missed or not understood by other Parties. It said it has always stated the idea of movement as this is not a regime that is static or impervious to change, adding that discussion on differentiation is essential but the discussion must embody the idea of giving the regime the flexibilities and dynamism it needs but not rewriting the Convention.

**South Africa** wanted the long-term global goal of keeping temperature rise to 2°C reflected in the agreement and translated into the trajectory of mitigation. It said Parties need to set a global goal for emission reduction of 50% below 1990 levels by 2050 and subject it to adjustment according to what science says.

Agreeing with Brazil on the notion of self-differentiation, it said it has deep concern on the interpretation at this stage regarding the principle of self-differentiation. It cannot agree with developing stringency on mitigation commitment and yet not formalise such a system in the new agreement which is supposed to be durable. 'We do not believe it will do any good to the multilateral system if we do that,' it warned.

While it is glad that the EU indicated that it cannot agree with the static system now, South Africa said, however, we also cannot ignore what we have now. It said Parties are under the impression that

there will be no backsliding and to South Africa, that means no backsliding for all Parties.

It said it seems that we are stuck with the INDCs process agreed in Warsaw (COP19 in 2013) but it is only one of the processes that can be built to get us to a place that we are comfortable that it is indeed fair. It also said it can accept that contribution is nationally determined but there must be multilateral rules for this commitment. The agreement must also provide for setting of multi-year commitment and trajectory which must specify peaking by 2050 of developed countries and later for developing countries. It said many elements need to be included if we talk about the setting of the commitment beyond 2030.

It stressed that our mandate is to strengthen the multilateral rules-based regime. It reminded that under the ADP process, we are not developing rules but considering information for the INDCs. It recalled its submission in May that called for rules on carbon pool and market mechanism 'but nothing happened'. It therefore proposed that COP20 initiate the process to further develop detailed rules on land-based emission and market mechanism. It believed that we should utilise both the flexible mechanism (CDM) and the land-based mechanism like REDD-plus and should also provide for a new market-based mechanism but subjected to additionality and environmental integrity.

On the contribution cycle, South Africa regretted that the INDCs decision in Warsaw has changed fundamentally the way the future agreement will work but accepted that it is a done deal. It said this approach is not creating ambition and closing the gap; instead it believed that Parties are now aiming for the lowest common denominator. Despite dire concern of this instrument, however, it believed we could still design a dynamic cycle to strengthen the multilateral rules-based regime that leads to legally binding commitments.

It said the proposal by Brazil is very interesting and in line with thinking how the contribution cycle should work. It is agreeable to the incremental process of a 10-year cycle with mid-term check and adjustment done on a regular reporting process based on science, equity and adequacy to close the (mitigation) gap. It sympathised with Tuvalu that a 10-year cycle is too long but noted that the mid-term check should involve deep assessment to allow for adjustment. It found the *ex-post* and *ex-ante* assessment of the next cycles attractive. It said the incremental adjustment for the period 2030 and 2040 and individual commitment for Parties must be more ambitious.

South Africa also agreed with Switzerland that non-delivery of Parties' individual commitment will be referred to the compliance mechanism, noting that in a world of self-differentiation, the compliance mechanism will be more important. However, it said there must be a holistic approach to the compliance system with room for improvement. It sees the need for an early warning system which will be a valuable tool to alert on possible problem areas and challenges, and ensuring that these are addressed early enough. Parties, it added, can seek to resolve specific implementation problems and refer them back to the multilateral consultative process. It believed that rules of enforcement will only happen when all avenues are exhausted.

On the legal nature of the agreement, it is not convinced that commitments can have different bindingness and force, and it will not accept the concept that transparency is equal to legally-binding.

**Chile** said the mitigation component must call for universal action that follows the principle of CBDR and RC (respective capabilities) and need for enhancing global effort to address increasing emissions. There must also be explicit recognition that countries with the most responsibilities and capabilities should take bold leadership. There should be no backsliding on targets.

It is also interested in the Brazilian 'concentric circle' idea, adding that the AILAC countries (of which it is a member) would support to continue discussion on those parameters. It is also AILAC's view that the agreement should include a global mitigation goal to be achieved by all Parties in line with agreeing to keeping temperature rise to 1.5°C or 2°C, and the goal is translated into a forward-looking target.

It said it is critical to provide Parties with long-term guidance to support transformation to low-carbon economy as well as catalysing actions and increasing ownership by countries.

In the mitigation section of the 'protocol', Chile said all Parties must commit to an aggregate global goal to create a durable, long-lasting, legally-binding commitment. Mechanisms that allow Parties to comply, such as market and non-market mechanisms, should be part of it.

Chile wanted the legal form to be addressed in Lima, adding that it supports a legally-binding 'protocol' for the Paris agreement that is tailored to individual commitments, that is legally-binding for all Parties.

It echoed South Africa that transparency is not a substitute for legal form and that the definition of a compliance mechanism is central to serve as serious

deterrence against free-riding, and will build trust of long-term effectiveness of the climate regime.

**Bhutan** said the presentation of a trajectory of actions and inactions and other unfulfilled commitment is a real concern. It said it has little role in the cause of climate change but remains firmly committed to fulfilling its commitment under the Convention. To meet a 1.5°C target, it said, ambitious emission reductions are required not only from Annex I but also some level of actions from some developing countries. Under the principle of CBDR, it has aligned its development plan to a carbon-neutral development by assuring that its emissions do not exceed what its forest can sequester. It is committed to maintaining 60% of forest cover and it would need international support to realise its climate-resilient and carbon-neutral plan to adapt to climate change successfully.

**Singapore** said Parties are now trying to plan the post-2020 regime and we must logically set out the timeline to make decisions on the two documents (referring to the non-paper on elements for a draft negotiation text and the INDCs draft decision text) and cautioned against draft texts that put Parties in a huddle, in reference to the Warsaw decision that resulted in the INDCs instrument.

It would support a series of cycle of contribution to increase ambition over successive cycles and not discuss ambition at every cycle. It said it will do well with domestic cycles without others forcing it, adding that those asking for a longer cycle is not seeking to weaken commitment but is in fact the contrary.

It said the average policy cycle is seven years and is the amount of time needed to engage and consult stakeholders in making sure policies achieve results. It said Singapore's economy survives on processing goods and services with 0.3% emission and is dependent on companies and therefore would need them to survive. To persuade them to shift to lower emission will take time or risk having them not coming on board, it cautioned. It asked that colleagues understand that changing policy is not something that governments can simply dictate, noting that pushing too hard may end up with governments losing power.

On the legal form, it is willing to consider how it will best capture all the needs of Parties without undermining universal participation. It would like to explore other forms of transparency on non-mitigation aspects, to ensure there is momentum (of deliveries).

**Iran** said historical responsibilities, equity and CBDR must be reflected in the mitigation element

of the 2015 agreement. Differentiation between developed and developing countries is key and the enhanced commitment of Annex I must show ambition rather than backsliding in increased, binding and economy-wide quantified emission reduction. Developing countries, it said, will undertake enhanced national mitigation ambition with support, nationally determined in accordance with their special needs and circumstances.

It pointed out that equally important to the mitigation element is the provision of support to developing countries in the area of the impacts of response measures. It wanted MRV of climate finance, adaptation, technology transfer and capacity-building activities which developed countries must provide to developing countries. All actions are related to technology which Parties must operationalise in the post-2015 outcome document. It said the Lima COP must clarify how developing countries will be supported under the agreement.

On the contribution cycle, Iran said at the outset this issue is not in the mandate of the Durban decision and should not be discussed. If Parties are to reach a modality on this matter, it said, such a cycle must apply to all elements and not just mitigation, and it must be linked to other replenishment cycles so developing countries will have a clear picture of the resources they can expect to support implementation of climate actions.

Aligning with Nauru and Tuvalu, **the Marshall Islands** said INDCs represent the preparatory phase of a legally-binding agreement and are therefore time-bound. It heard strong support for no backsliding and is of the view that the post-2020 ambition must be progressively strengthened with increase in types, scopes and scale.

It wanted a common timeframe or end date for mitigation commitments so that Parties can put forward their efforts and create the cycle for key political moments when we are expected to take the next step. It said it is highly irresponsible to lock in commitment for 2030, some 15 years away.

**Nigeria** said the ADP work in Lima needs to be properly organised to ensure that we resume negotiation in an open plenary session where the Co-chairs present the draft negotiation text. It said adaptation is key to successful adoption of any treaty and without any critical consideration and the means to implement adaptation, it is not sure if we are going to get to anywhere. With regard to mitigation, it said there is a need for an ambitious scale of emission reduction and urged Parties to ratify the Doha Amendment (for the second commitment period of the Kyoto Protocol). It expects developed country Parties to provide finance for the preparation of

INDCs and that the principles of CBDR must guide the work of Parties.

**Timor Leste** expressed its concern that some Parties wanted mitigation to apply to all Parties with the same manner. It questioned if the CBDR principle is applied and if LDCs' circumstances are being considered. It said Timor Leste will have a low-carbon development pathway that is addressed in NAMAs but it is not quantifiable as demanded but could agree with a qualitative emission target approach as proposed by Japan. It wanted developed countries and others with high emissions to take the lead in mitigation and there to be measures in place for regular review of the commitments. It also urged the Co-chairs to review their decision in deleting the objective of keeping temperature rise to 1.5°C from the document.

For **South Korea**, mitigation is a key element along with other components for determination of the contribution cycle. It wanted a long-term goal contribution to emission reduction that is consistent with the agreed limit of 2°C based on the IPCC's recommendation. To achieve our common goal, it said, an INDC of a 10-year cycle will be durable for various reasons – (i) to accommodate different capabilities and circumstances of most countries as for most countries, commitment of mitigation is still a new adventure; (ii) longer term needed to ensure coherence of policies such as energy supply and mix; (iii) predictable policies to send long-term signal to investors to facilitate their investment in low-carbon investment; and (iv) mid-term review for adjustment or modification of the cycle.

**The European Union** said it preferred a protocol that requests all Parties to the agreement to maintain their mitigation commitment at all times and it is annexed to the agreement and is legally-binding. The agreement applies to all in the same year to promote mutual trust and should contain simplified procedures in a timely manner without a need for formal ratification.

It added that the decision should set out regular review of mitigation ambition and emphasise clarity and be driven by ambition and science. Highlighting that the EU leaders had endorsed (on 23 October) a binding domestic GHG reduction target of 40%, it said the group will work toward 2030 to provide certainty for business and the time scale will not lock in a low level of ambition.

It said the key issue is less around the date of 2025 and 2030 but how to make the five-year review work, which is fundamental. It said the length of the commitment period and review period is not the same. In that context, it emphasised that the EU will have an economy-wide carbon budget so any review

and trajectory over that period will be visible. Other Parties, it added, should also spell out the full period because the trajectory is the one that counts. It stressed that we will need quantifiable commitment by all major economies, hence China's suggestion will not work.

Pointing out that the Co-chairs' reflection note did not specify that mitigation of all Parties should be revealed in the same year, it said Parties will need that for further action and we need to draw lessons from the Kyoto Protocol on what works and what does not work.

Responding to Brazil and South Africa, it said all Parties need to transform and INDCs will allow them to do so. It said the EU is fully committed to an agreement that upholds CBDR and RC. Parties' obligations, it added, should involve reality in a fair and dynamic way to keep us on track and that national circumstances had changed in the past decade and the agreement should take this into account.

On the self-differentiation approach, it said each Party selects its commitment type, level and tries to be as ambitious as possible but they would have to defend their national circumstances. The INDC that Parties put forward should represent progression in scope and the subsequent period has to be more ambitious and the notion of progression will be subjected to MRV. Major economies, it said, should have economy-wide absolute targets.

**Switzerland** disagreed with China's view on the differentiated starting point (between developed and developing countries) as it is against the principle of no backsliding. It said each country has to have a specific starting point and has to do more. With regard to the cycle of contribution, it said the pre-2020 cycle simply cannot continue after 2020, adding that there will be no third (commitment period of the) Kyoto Protocol, but there will be something new.

On the length of the commitment period, it said it is important to have a common starting point every five years where the new commitment period begins and in every five years, each Party has the obligation to hand in a 10-year commitment period which can be corrected. It followed the EU on what has to go into the agreement and what can be adopted as COP decisions, i.e. each Party submits its commitment to be followed by a new cycle every five years and an *ex-ante* assessment process. The COP can adopt simplified decisions which can be adjusted so there will be no need for a full ratification process.

It is ready to engage on the legal form and said it expects a legally-binding instrument with legally-binding commitments and a compliance mechanism. It said the legally-binding nature of the agreement

should be reflected in an annex but not differentiated with categories (of countries) and the compliance mechanism will be tied to the legally-binding commitment.

**Norway** said to reach the 2°C target we need an operational target to have a common goal and direction of travel and stick to it. We need clear direction on the magnitude of reduction so it would propose for the agreement to have net zero emission by 2050 as an operational goal to be consistent with the latest IPCC report, and this is easy to communicate and easily understood for businesses and the general public.

It said Parties should not include conditions of support when making a commitment but this will not preclude additional action that will indeed be supported. Emission reduction commitments should be quantified in the agreement especially for countries with reasonable capacity to develop quantifiable targets.

On the need for differentiation, it said nationally determined actions can be flexible but targets must address equity, adequacy and ambition. An *ex-ante* assessment process of INDCs is necessary to inform if we could achieve the target. It believed the UNFCCC secretariat should do more than compile the INDCs as we need to know how many tonnes of GHG the new agreement will reduce and tell us if we are on the right track.

**New Zealand** is looking for an agreement that encourages Parties to join and that means they have to be confident that what is asked is feasible to deliver. It said Parties talked about space of nationally determined actions and it reckoned that the space is perhaps to find a landing zone on the inter-linkages between nationally determined and top-down rules which it called 'bounded flexibilities'. It means Parties will agree to a broad parameter that will be reflected in the legally-binding agreement.

New Zealand said there could be some synergy between the EU's idea of increasing scope over time and Brazil's description of concentric differentiation. It said the rules should be set at the level we aspire to while accommodating some flexibilities for national circumstances. It saw the discussion on committing a set of benchmarks from which Parties will improve and align over time as a positive formulation to ensure no backsliding.

It agreed with Singapore that Parties might be deterred if INDCs are legally-binding and punitive and some Parties will feel the need to be conservative rather than stretching beyond what they are sure they can deliver. It said the agreement also needs a mechanism to ensure that commitments can be updated and avoid re-ratification.

It said New Zealand is a strong supporter of an international rules-based regime, noting that transparency is not equal to legally-binding. To put legally-binding into effect, it proposed a model where Parties are fully buttressed by a legally-binding agreement. They would be held to submit and maintain a schedule without any gap, to give details (of their commitments) and be obliged to report and be subjected to international review.

It is attracted to a five-year review period and wanted to hear from Switzerland how a common starting date will work. It is also interested in the Brazilian proposal and the AOSIS call for coordination of the contribution cycle with the IPCC assessment cycle.

**Japan** said all Parties should be obliged to submit quantifiable INDCs and major economies are expected to submit quantified economy-wide targets while those with small emissions can present qualitative data. It believed that INDCs should not be a legally-binding document but rather supported by stronger policies and measures and these flexibilities will enable international actions.

On the cycle of contribution, it supported the EU proposal for a 10-year cycle ending 2030. In considering the length of cycle of mitigation, it said we need to give signals to businesses and all stakeholders that the agreement is durable. Concern about the long period can be taken care by a well-designed mid-term review.

**Australia** saw the cycle of contribution as an important part to make the agreement durable with MRV and flexibilities for the purpose of revisiting contribution collectively. It understood that there are proposals for new types of processes but it is concerned about capacity to undertake all these processes. It said a system built for tracking post-2020 commitments is missing, noting that it must be built on continuous improvement for all Parties.

**Canada** said in terms of actual mitigation component, the INDCs are fundamentally on mitigation but it does not downgrade the importance we attached to other elements which would be dealt with under other processes. INDCs have to be unconditional so we can assess individual contribution. It said the agreement needs to ensure no double-counting in the market mechanism. It is agreeable with the notion of self-differentiation through INDCs.

It is open to the Brazilian proposal and it will also go back to capital to talk about the proposed

five-year and 10-year cycles. It said it is a legal obligation for everyone to bring forward their INDCs but it is not binding at the international level which will cause a serious obstacle as in delays for formal ratification.

**The United States** wanted the agreement to provide for broad participation, full reflection of each country's capabilities and as their capabilities increase, and effective implementation to be achieved in the context of a durable agreement.

It said the agreement should contain the following six points:

- Each Party requested to submit a schedule of its NDC that it intends to implement, maintain and enhance thereafter
- Harmonised cycle of commitment that refers to a common timeframe
- Contribution should be specific and quantifiable except for LDCs
- Each country has core elements that are unconditional but supplemented with conditional elements
- Each Party needs to report regularly on progress in a schedule with specific guidelines set out in a COP decision and work over this in coming months, and specific accounting on land-use and market mechanism
- Provision for review of mitigation contributions to be set forth in Paris with a single system for all Parties.

In contrast to the Kyoto Protocol, the US said, there will not be 195 Parties by Paris so there should be a mechanism to reflect the situation as part of the agreement and a schedule for the right formal way to reflect individual actions. It shared aspiration that Parties will have an upward direction of travel where Parties are not backsliding but in fact moving beyond their current action in a dynamic system where each Party's successive contribution must be increasingly ambitious.

Responding to the Brazilian proposal of a concentric circle, it said it is not sure if it is anything new or just a new shape. It believed that it is important that Parties update their contributions at regular, harmonised periods with upfront information, and that there is formal consultation and review of annual progress. It is supportive of a five-year period for a greater implementation cycle and finds the (2020 to) 2030 timeframe too long.