



BONN CLIMATE CHANGE CONFERENCE: FRIDAY, 24 OCTOBER 2014

On Friday, the contact group on ADP item 3 addressed workstream 2 (pre-2020 ambition), and workstream 1 (2015 agreement), with a focus on adaptation, capacity building, technology and transparency.

CONTACT GROUP ON ADP ITEM 3

WORKSTREAM 2: ADP Co-Chair Kishan Kumarsingh asked parties to respond to submissions, highlighting those from AOSIS and the LMDCs.

SWITZERLAND, the US, Bangladesh, for the LDCs, and NEW ZEALAND supported using the Co-Chairs' draft text as the basis for discussion. SOUTH AFRICA, AUSTRALIA and CANADA supported the Co-Chairs issuing a revised draft text taking account of views expressed at this meeting.

TANZANIA underscored the need to include adaptation and better emphasize means of implementation (MOI) in the draft text. Many supported the continuation of the workstream 2 work programme.

On the AOSIS proposal, Nauru, for AOSIS, explained their submission concentrates on expanding the technical process post-2015, including: more effective and efficient TEMs through advance notice and increased interaction; regularly updated papers following TEMs; invitation of submissions by organizations at all levels with experience in implementing elements discussed in the TEMs; and ministerial engagement in workstream 2.

On the LMDCs proposal, China, for the LMDCs, highlighted their conference room paper (CRP) on workstream 2, calling for, *inter alia*: immediate and early ratification of the Doha Amendment to the Kyoto Protocol; unconditional commitments by Annex I parties in 2014 to reduce emissions by 40% below 1990 levels by 2030; commitment of Annex II parties to support the adaptation framework; commitment to address response measures; rapid and substantial capitalization of the GCF; MRV of financial commitments; and operational modalities for the TEC and CTCN by SBSTA 42.

NORWAY, CANADA, AUSTRALIA, JAPAN and NEW ZEALAND said the LMDCs CRP goes beyond the Warsaw mandate, with AUSTRALIA saying implementation of the Bali Action Plan is addressed elsewhere. CANADA added that the CRP would significantly limit parties' collective ability to reduce emissions.

The EU and the LDCs noted emerging consensus on the need to carry TEMs beyond 2015. BRAZIL proposed considering expanding workstream 2 beyond 2020, either as part of the 2015 agreement or as a separate track.

SWITZERLAND, AUSTRALIA, NORWAY and NEW ZEALAND said TEMs should focus on enhancing mitigation ambition of all parties. The US suggested making TEMs more concrete and outcome-oriented, and making information available before and after TEMs. CANADA welcomed efforts to make TEMs more effective and engage subnational authorities, but cautioned that a web-based information portal could become unmanageable. AUSTRALIA stressed ensuring the availability of financial resources. SOUTH AFRICA supported an ambition mechanism to act only on the TEMs outcomes. AILAC suggested establishing a new forum for parties to voluntarily share information on NAMA support and, opposed by NEW ZEALAND, a new mechanism to catalyze action on mitigation.

NORWAY and JAPAN called for the TEC and CTCN to be more involved in the TEMs, with NEW ZEALAND suggesting they manage the TEMs and communicate TEM outcomes. AOSIS and the EU said there is no need to have TEMs at all UNFCCC meetings, with AOSIS noting that quality, not quantity, is key.

Costa Rica, for AILAC, proposed a TEM on reviewing existing policy databases and, supported by AUSTRALIA, said TEMs should focus on implementation. NORWAY, with NEW ZEALAND, called for revisiting previous TEM topics and adding sessions on carbon pricing and removal of fossil fuel subsidies. AOSIS suggested TEMs on transport, and local and indigenous peoples' knowledge. BOLIVIA called for a TEM on technologies, knowledge systems and practices of indigenous peoples and local communities. JAPAN called for maintaining a focus on technology.

SWITZERLAND and NORWAY said ministerial engagement should not be a matter of routine, but add value to the process. The US called for "a strategic use" of ministers' engagement, including in TEMs. NEW ZEALAND and VENEZUELA suggested providing ministers with focused questions. AOSIS called for greater interaction between ministers. BRAZIL and AOSIS warned against "ministerial fatigue."

OTHER ELEMENTS: Co-Chair Kumarsingh introduced the session on capacity building, technology and transparency.

Capacity Building: SBI Chair Amena Yauvoli (Fiji) reported on SBI capacity-building activities. Co-Chair Kumarsingh asked parties to focus on whether the existing arrangements are sufficient, and if insufficient, what elements are needed and what institutional mechanism could fill these gaps.

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Many agreed that capacity building is an integral part of the new agreement, and should be based on countries' needs. AUSTRALIA, NEW ZEALAND, the EU, CANADA, SWITZERLAND and the US said the existing capacity-building framework is sufficient. NEW ZEALAND acknowledged that capacity-building needs change over time. SWITZERLAND suggested building on existing institutions through COP decisions.

China, for the G-77/CHINA, proposed establishing a capacity-building committee under the Convention, supported by SOUTH AFRICA, which called for a structured assessment of capacity needs.

Iran, for the LMDCs, called for a GCF-funded international mechanism on capacity building, and commitments from developed countries to provide adequate and predictable financing and technology for capacity building in developing countries. Tuvalu, for the LDCs, suggested a capacity-building institute and earmarking GCF funds for capacity building.

Saying that the Durban Forum on Capacity-building is an appropriate space for discussing capacity building, the EU opposed establishing a new structure or mechanism. BELIZE suggested strengthening the Durban Forum to identify and respond to capacity needs, emphasizing support for endogenous capacity and local and indigenous expertise. The LMDCs, said capacity building in the context of the ADP should be consistent with the Convention's principles.

Technology: Co-Chair Kumarsingh noted ongoing TEC work, asking parties to consider institutional arrangements, including how to anchor and strengthen them in the 2015 agreement, and what should be reflected in the agreement or in COP decisions.

The EU, AUSTRALIA, JAPAN, CANADA and the US stressed continued use of the existing Technology Mechanism. JAPAN called for a facilitative approach that incentivizes private sector technology transfer.

AUSTRALIA, the US and JAPAN opposed including provisions on intellectual property rights (IPRs) in the 2015 agreement. Tuvalu, for the LDCs, suggested exploring schemes to make some technologies IPR-free. China, for the G-77/CHINA, said technology transfer modalities in the agreement should be in accordance with the Convention's principles. He added that technology transfer depends on effective support and finance by developed countries. BANGLADESH stressed the role of the GCF in supporting technology transfer.

Transparency of Action and Support: Co-Chair Kumarsingh noted broad agreement on the need for transparency of action and support. He asked parties to: address the key elements to be included in the 2015 agreement; explain how the existing MRV framework can be modified to achieve the 2015 agreement's objectives; and elaborate on their proposals.

The EU, NEW ZEALAND, CANADA, NORWAY, AUSTRALIA, SWITZERLAND, the US and JAPAN said the MRV system should be applicable to all, with some in-built flexibility to respond to national circumstances. SWITZERLAND added that the common MRV regime could be operationalized through COP decisions. The EU, AUSTRALIA and NEW ZEALAND called for key principles governing the rules for the land sector and markets, emphasizing, supported by Chile, for AILAC, the need to avoid double counting. The US called for emphasis on effectiveness of climate finance.

AUSTRALIA called for a transparency system that is "fit for purpose" in the new agreement, and stressed the basic building blocks of such a system should be agreed in Paris, while elaborating more detailed modalities later.

Underscoring that parties' different commitments call for differentiated reporting, NORWAY suggested common principles in the 2015 agreement on, *inter alia*: rules for reporting emissions building on IPCC methodologies; common metrics; verification of GHG inventories; a common framework for LULUCF emissions, based on the best available knowledge; and rules and principles for carbon credit integrity.

AILAC and BANGLADESH emphasized building on the current MRV systems, with AILAC pointing to the rules under the Kyoto Protocol, taking into account diverse contexts and capacities, and suggesting MRV be used as a trigger for the compliance mechanism.

Saudi Arabia, for the LMDCs, said transparency under the agreement should be guided by the Convention and its principles, and differentiate between developed and developing countries. He called for MRV of support provided by developed countries to developing countries. CHINA opposed addressing compliance together with transparency as in the Co-Chairs' paper.

Emphasizing that "transparency is not a substitute for legal force" and that a detailed MRV system is being implemented already, SOUTH AFRICA, supported by BRAZIL, questioned the need for new rules and called for enhanced methodologies for MRV of support, with BRAZIL calling for using INDCs as a means to MRV support by including MOI.

The MARSHALL ISLANDS called for common rules on INDCs promoting clarity and comparability, focused on, *inter alia*: the latest IPCC methodologies; clarification on emissions from the land sector; standards for carbon; and MRV for support.

ADAPTATION: Franz Perrez, Switzerland, reported on the informal consultations on adaptation, highlighting emerging consensus on the need to bring forth and enhance existing commitments. He indicated that many called for filling gaps in existing institutions, which should then be tailored to meet the needs of the 2015 agreement.

IN THE CORRIDORS

The agreement reached the previous night by the EU Council on a binding target to reduce GHG emissions by 40% by 2030 compared to 1990 levels blew fresh air into the corridors of the conference center in Bonn. While the announcement put a spring in the step of many European negotiators, others welcomed the clarity provided by the informal consultations on adaptation. "The process is really allowing us to delve into parties' proposals," said one delegate, who added "we can start to make real progress now we know exactly what is on the table."

Others worried that the decision to postpone discussions on mitigation until the last day of the meeting meant this important issue would be left without enough time for consideration. Frustration also bubbled on INDCs, with one delegate concerned that some parties' "demanding impossible things" threatens to derail the process. The ambivalent tone of the day deepened as some noted that, although informal consultations on finance had also been established, frank conversations about many issues had yet to commence.

ENB SUMMARY AND ANALYSIS: The *Earth Negotiations Bulletin* summary and analysis of the Bonn Climate Change Conference will be available on Tuesday, 28 October 2014 online at: <http://www.iisd.ca/climate/adp/adp2-6/>