

## Working document

Version of 8 September 2015 at 18:00<sup>1</sup>

### [Section A – Preamble]

#### *Main observations:*

- During the first facilitated group meeting on Monday, 31 August 2015, Parties highlighted the importance of the Preamble in framing the context of the draft Agreement. Many noted that preambles set underlying philosophy and serve as a tool for implementation. Most agreed that the Preamble to the draft Agreement should be concise, but many also emphasized that it should set out key ideas and critical issues. A number of Parties considered that a meaningful discussion on the preamble was premature. Others wanted to flesh out conceptual ideas already at this stage to be further considered in the light of the outcomes of the negotiations on their sections.
- There was a general feeling that it could also be premature to address the preambular language of Part II (draft Decision 1/CP.21) and that more clarity would be needed on the content of the possible draft Decision 1/CP.21 as well as on the number of other relevant decisions that may be adopted at COP 21.
- The Co-Facilitators noted that a range of preambular provisions reflected in Part III of the Co-Chairs' Tool were referred to by Parties in their interventions. With regard to some of those provisions, a certain convergence of views was emerging. The Co-Facilitators identified the following possible areas for consideration and consolidation in the informal consultations on Wednesday, 2 September 2015:
  1. Reference to the Convention: as a whole/ principles/objective (Part I, Pp1, Pp2; Part III, Pp1);
  2. Global nature and urgency of climate change (Part III, Pp8); IPCC AR5 (Part III, Pp9), Science (Part III, Pp10);
  3. Rio+20 Conference (Part III, Pp5), Post-2015 development agenda (Part III, Pp31); Sustainable social and economic development (Part III, Pp33);
  4. Equality, environmental integrity and rights (Part III, Pp30); Health (Part III, Pp34);
  5. Role of private sector in capacity-building (Part III, Pp28); Action by non-State actors (Part III, Pp32);
  6. Challenges faced by SIDS and LDCs (Part III, Pp29);
  7. Adaptation as a global challenge (Part III, Pp18), Relationship between adaptation and mitigation (Part III, Pp19), Relationship between adaptation, mitigation and loss and damage (Part III, Pp20), Loss and damage and adaptation (Part III, Pp21);
  8. Means of implementation (Part III, Pp25).
- During the informal consultations on Wednesday, 2 September 2015, Parties exchanged views on the content of the eight areas identified above. There were suggestions to further merge some of the areas. Some noted that negotiations on substantive sections could inform whether there is a need to address some of these issues in the preamble and, if so, how they could be framed. In this regard, issues related to the area of

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<sup>1</sup> References to provisions and paragraph numbers refer to those in the Co-Chairs' Tool of 24 July (ADP.2015.4.Informal Note, annex II, available at <<http://unfccc.int/6911.php?preref=60008595>> ) unless indicated otherwise.

adaptation and the role of the private sector and non-State actors were identified as areas to revisit later in the context of the preamble.

- Parties agreed to further discuss the following five general areas with a view to further identifying key elements and any possible bridging or consolidating of provisions. The discussion also covered issues that individual Parties or groups of Parties wished to address under each area:
  1. Reference to the Convention: as a whole/ principles/objective (Part I, Pp1, Pp2; Part III, Pp1) and Means of implementation (Part III, Pp25) (concepts such as references to the Convention as a whole, to its provisions, to the objective or principles (all or CBDR and historical responsibility, means of implementation), reference to the KP and/or COP decisions);
  2. Global nature and urgency of climate change (Part III, Pp8), IPCC AR5 (Part III, Pp9), Science (Part III, Pp10) (concepts such as global nature and urgency, solidarity, need for action, wide cooperation, international response, urgency for developed countries to take the lead, science and IPCC);
  3. Rio+20 Conference (Part III, Pp5), Post-2015 development agenda (Part III, Pp31); Sustainable social and economic development (Part III, Pp33) (concepts such as social and economic development, 2030 Sustainable Development agenda, SDGs, linkage between climate change and sustainable development, equitable access to sustainable development, equity and growth of developing country emissions, access to resources);
  4. Equality, environmental integrity and rights (Part III, Pp30); and Health (Part III, Pp34) (concepts such as environmental integrity, ecosystems integrity, integrity of Mother Earth, gender, just transition, human rights, including indigenous peoples rights, health);
  5. Challenges faced by SIDS and LDCs (Part III, Pp29).
- The Co-Facilitators invited Parties to submit inputs and proposals aiming to identify bridging options or texts for consolidation of various elements within the five identified areas. A number of such inputs were received from Parties and were made available as a compilation on the session's web page.
- Based on the discussions in the facilitated group and the inputs received, the Co-Facilitators prepared a Non-paper on elements of possible draft provisions addressing the five areas identified above.<sup>2</sup> The Non-paper contained Co-Facilitators' own attempts at demonstrating how some of the concepts discussed during the week could flow in a preambular language. The Non-paper does not reflect any particular views of a Party or a group of Parties, nor any consensus on the issues discussed and therefore has no formal status in the process and is attached here for information only.
- The Co-Facilitators' Non-paper was made available for initial reactions by Parties at the facilitated group meeting on Friday afternoon. While a number of Parties thanked the Co-Facilitators for the effort, most Parties emphasized that the Non-paper did not reflect all the views of the Parties. Parties also noted that while the discussions on the elements of the Preamble during the session were constructive, they did not have time to fully explore all the elements. Some Parties noted that the elements discussed during the week, including areas addressed, should be carried forward to the next session.

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<sup>2</sup> [http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_a\\_03aug2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_a_03aug2015_ip.pdf) .

## ANNEX

### Illustration of how some of the draft provisions for the Preamble of the draft agreement might flow

#### Non-Paper by Co-Facilitators

*For information only*

4 September 2015

The Parties to this [Agreement],

*Being guided* by the provisions of the Convention and, in particular, the principles set out in its Article 3,

*Conscious* that the global nature and urgency of climate change call for all Parties to demonstrate solidarity and cooperation and to provide for an effective and appropriate international response guided by the best available science, including assessment reports of the Intergovernmental Panel on Climate Change,

*Recalling* the outcomes of the Rio+20 Conference entitled “The future we want” [and the UN 2030 agenda for sustainable development],<sup>3</sup>

*Recognizing* that responses to climate change need to be coordinated with the goals of sustainable social and economic development in an integrated manner, taking into account the right to equitable access of developing countries, in particular the least developed countries, small island developing States and countries in Africa, to sustainable development, and to the achievement of economic growth, and poverty eradication,

*Acknowledging* that action to address climate change should take into account environmental integrity, the integrity of ecosystems and that of Mother Earth<sup>4</sup>, fully respect human rights<sup>5</sup>, the right to development, the rights of indigenous peoples<sup>6</sup>, gender equality and human health as well as promote a just transition of the workforce and the creation of decent work in accordance with nationally defined development priorities and strategies,

*Taking full account* of the specific needs and special situations of the least developed countries and small island developing States arising from adverse impacts of climate change.

*[...any elements to be brought in at a later stage based on the outcomes of the negotiations on other sections]*

*Pursuant to* the mandate adopted by decision 1/CP.17 of the Conference of the Parties to the Convention at its seventeenth meeting,

Have agreed as follows:

<sup>3</sup> Following the expected adoption of the 2030 agenda later in September 2015 precise language on the link between climate change and sustainable development could be further considered at ADP2.11.

<sup>4</sup> Language from Decision 1/CP.18, paragraph 2.

<sup>5</sup> Language from Decision 1/CP.16.

<sup>6</sup> Language from, e.g., Decision 1/CP.16, paragraph 2 (c).

## [Section C – General/Objective]

### *Main observations:*

- Parties expressed their appreciation to the Co-Facilitators for the tool which was presented as input to the meeting, which was considered as a useful framework for further consideration of the issues raised by Parties.
- Parties considered that the tool captured the list of key issues raised by Parties. A number of changes were suggested to the presentation of the issues ensure consistency between the tables and with previous decisions of the COP. However, divergent views were expressed on the Co-Facilitators' indicative allocation of issues between the draft Agreement and draft Decision, in particular with regard to issues related to gender and human rights, pursuit of low-emission and climate-resilient economies, and recognition of linkages between types of action and between action and support.
- The Co-Facilitators undertook to update the tool to reflect these observations regarding consistency. This revision is contained in the tables below. However, due to the divergent views on the placement of these issues, the Co-Facilitators have not updated the placement from the original tool. Inputs received from Parties have been compiled by the secretariat and are available on the UNFCCC website.<sup>7</sup>
- Those Parties that expressed a preference for Option II of the tool expressed concern that further discussion of this option may overlap with ongoing discussion on the preamble. The Co-Facilitators noted these overlaps and to keep the relevant Co-Facilitators informed of the issue. In the light of these concerns, most discussion focused on Option I of the tool.

### Specific discussion on Objective

#### *Main observations:*

- Many Parties considered that it would be preferable to refer to Article 2 of the Convention without reproducing it in full or translating it in specific contexts. Some Parties requested specific reference to sustainable development, poverty eradication and food security.
- Many Parties considered that the objective should include a reference to the limitation of temperature increase, with some noting in addition that such a reference must respect the context of that aim.
- Some Parties emphasized that the objective must establish a purpose for action and describe a pathway towards the achievement of that purpose. Other Parties added that this must acknowledge the linkages between areas of action and between action and support. Some Parties emphasized the need for the objective to underline the importance of action and transmit a transformational vision for action to address climate change.
- Some Parties expressed concerns that the extended list of issues proposed to be addressed in the objective could result in an overly complex provision overlapping with other operative provisions and that this may lead to competing interpretations during the period of implementation.

### Discussion on Principles

#### *Main observations:*

- Many Parties indicated the need to reference equity and CBDR&RC, the special circumstances of the particularly vulnerable, human rights and gender, and the integrity of Mother Earth. Some Parties indicated that ambition and progression of action were overarching principles and apply to all action under the draft Agreement, rather than to mitigation only, as currently reflected in the Co-Chairs' Tool.
- One Party queried the rationale for referencing human rights in the context of the draft Agreement and suggested that the draft Agreement be gender responsive.
- A group of Parties highlighted the principle of cost-effectiveness. Another group of Parties highlighted the principle of intergenerational equity. One Party suggested making reference to climate justice.
- Many Parties noted that the discussion on principles overlapped with earlier discussions on the preamble and considered that, while many of the principles could be referred to in the draft Agreement, the preamble would be the most appropriate location.

<sup>7</sup> Available at <<http://unfccc.int/bodies/awg/items/9158.php>>.

### Discussion on General Obligations

#### *Main observations:*

- Parties noted that the issue of general obligations may need to be considered in the context of the obligations of Parties arising in other sections of the text.
- Parties expressed concern at references to non-State actors in the preambular or operative content of the draft Agreement between State Parties.

#### *Further observations and notes of the Co-Facilitators:*

- The Co-Facilitators noted that objectives are also contained in other sections of the Tool and that the evolution of these discussions may have an impact on the development of any overall objective.

**Co-Facilitators' Tool****Overview of narratives***Option I***Objective:**

- Full, effective and sustained implementation of the Convention
- Reference to Article 2 of the Convention
- Reference to the long-term limit to increase in global temperature
- Rules based
- Achieving net-zero emissions and climate resilience
- Linkages between mitigation, adaptation and loss and damage
- Linkages between action and support

**Principles:**

- Equity and CBDR/RC, in light of different national circumstances
- Special circumstances of the particularly vulnerable
- Gender, human rights and the integrity of Mother Earth

**General Provisions:**

- Individual efforts/Obligations
- Engagement of non-State actors

**Option I (operative provisions)***Elements of a negotiating text for draft Agreement***Objective:**

[The objective of this Agreement is to further enhance the full, effective and sustained implementation of the Convention in order to achieve its objective as set out in its Article 2 and to facilitate sustainable development consistent with holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels]

**Principles:**

[Actions to implement this Agreement shall be guided by Article 3 of the Convention and the following:

1. Equity and common but differentiated responsibilities and respective capabilities, in light of different national circumstances;
2. The special circumstances and specific needs of Parties particularly vulnerable to the adverse effects of climate change, especially the LDCs and SIDS;]

*Option II***Preamble:**

- Article 2 of the Convention
- Low emission, climate resilient
- Linkages between mitigation, adaptation and loss and damage
- Engagement of non-State actors

*Elements of a negotiating text for COP draft Decision/preamble*

*Aiming* to strengthen the multilateral rules-based regime,

*Encouraging* the pursuit of [low greenhouse gas, climate-resilient economies and societies][net-zero greenhouse gas emissions and maintaining and increasing resilience to the adverse effects of climate change],

*Acknowledges* that there is an integral relationship between the level of mitigation action and the extent of the efforts that will be required to adapt to climate change and address loss and damage;

*Acknowledges* the relationship between realizing the highest level of ambition and the mobilization of adequate resources and provision of support;

*Agrees* that the implementation of the Agreement shall be guided by respect for:

- a. The protection, promotion and fulfilment of human rights for all;
- b. Gender [equality][responsiveness] and the full and equal participation of women in all climate actions and decision-making processes;
- c. The integrity of Mother Earth; ]

**Individual efforts:** Option 1: All Parties [shall][should][other] prepare, maintain, communicate and implement [commitments] [contributions] in accordance with the provisions of this Agreement; such [commitments] [contributions] are to be considered, [formalized] [finalized] and reviewed in accordance the relevant provisions.

Option 2: All developed country Parties shall prepare, communicate, implement and enhance commitments on mitigation and provision of finance, technology and capacity-building support to developing country Parties.

Developing country Parties will prepare, communicate and implement enhanced actions on mitigation and adaptation, in the context of sustainable development, premised on an enhanced provision of finance, technology and capacity-building support by [developed country Parties] [Parties included in annex Y].

Option 3: Parties [shall][should][other] enhance their actions and contributions in accordance with Article 4 of the Convention.]

[Encourages][Invites] all actors, including civil society, the private sector, financial institutions, cities and other subnational authorities, local communities and indigenous peoples, to scale up their actions and provide further opportunities for Parties to reduce emissions and/or to decrease vulnerability and build resilience to the adverse effects of climate change;

### **Option II (preambular provisions)**

*Elements of a negotiating text for draft Agreement*

*Elements of a negotiating text for COP draft Decision/preamble*

#### **Preamble**

*Guided by* the objective of the Convention as set out in its Article 2,

*Reaffirming* the importance of holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels,

*Aiming* to strengthen the multilateral rules-based regime,

*Encouraging* the pursuit of [low greenhouse gas, climate-resilient economies and societies][net-zero greenhouse gas emissions and maintaining and increasing resilience to the adverse effects of climate change],

*Acknowledging* the integral relationship between the level of mitigation action and the extent of the efforts that will be required to adapt to climate change and address loss and damage,

## [Section D – Mitigation]

### *Main observations:*

- Based on the contents of the Co-Chairs’ Tool, the facilitated group completed a round of views on which provisions should comprise the mitigation section of the draft Agreement. It also addressed elements with a view to deepening common understanding of the concepts contained in the Co-Chairs’ Tool and their role in the ADP outcome. Some of these elements were discussed in informal meetings.
- The facilitated group discussed only issues that are currently placed in the mitigation section. However, many groups and Parties wanted a complete picture of all obligations linked to mitigation to be placed in the mitigation section. Those groups and Parties noted that the process of submitting, housing, reviewing and updating [commitments][contributions][actions], relevant aspects of time frames and accounting are key elements of the mitigation “storyline” and should be brought into this section.
- Building on the overview of what Parties see as elements of the draft agreement and the draft decision or decisions to be adopted in Paris, the facilitated group identified elements that are subject to further negotiations but enjoy broad support to be included in the ADP outcome, and elements whose inclusion requires further consideration. These are set out below, with a summary of specific considerations where those issues were specifically discussed.

### *Elements of the ADP outcome on mitigation<sup>8</sup>:*

- Elements with broad support to be included in the ADP outcome:
  - Collective efforts;
    - In considering Collective Efforts, based on the text contained in Article 3 of Part I of the Co-Chairs’ Tool, the group identified three concepts contained in this article: 1) a collective commitment (e.g. all Parties shall or should enhance mitigation efforts, make individual efforts, cooperate); 2) differentiation (e.g. references to Article 4 of the Convention, CBDR&RC, equity, groups of Parties, support); and 3) a direction of travel (e.g. references to the long-term temperature limit, achieving long-term emissions reductions, global peaking of emissions as soon as possible, an emission budget, climate neutrality by the end of the century, reflecting latest science and zero net emission pathways).
    - Some Parties considered that a collective commitment would apply equally to all Parties and, therefore, no references to differentiation are required. Other Parties saw this collective commitment as a framing provision and, therefore, would require a reference to differentiation. A few Parties were of the view that there is no need to include a provision on collective efforts in the ADP outcome and that the individual commitment for each Party is sufficient.
    - With regards to the direction of travel, some Parties noted that the long-term temperature limit is relevant for other sections and, therefore, should be contained in the general/objective section (section C). Other Parties expressed the view that the general objective should be further operationalized by a mitigation-specific objective. That mitigation-specific objective would address quantifiable aspects such as, for example, peaking of emissions, an emissions budget, GHG neutrality or carbon neutrality. A few Parties indicated that some of the options for the direction of travel are not well understood and would need to be defined.
    - One Party made a proposal to use the collective effort as a chapeau for the individual effort.
  - Individual efforts;
    - The informal meeting on differentiation worked to identify the different ways for expressing differentiation with regard to individual efforts. The informal meeting worked on a table, the final version of which is appended as annex 1 to this section of the Working document.

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<sup>8</sup> Numbering of provisions reflects the numbering in the Co-Chairs’ Tool of 24 July (ADP.2015.4.Informal Note, annex II, available at <http://unfccc.int/6911.php?preref=600008595>).



- The facilitated group considered other aspects of individual efforts not addressed in the informal meeting. First, it identified two approaches to individual efforts: the individual effort relates to mitigation, adaptation and support and would thus have to be addressed in the general section; or, the individual effort is mitigation-focused and should therefore be addressed in the mitigation section. In this view, there would also be individual efforts as to adaptation and support.
- Many Parties referred to the need to specify the core obligation of mitigation through verbs such as prepare, communicate, implement, maintain, report and achieve or fulfil mitigation [commitments] [contributions] [actions]. A few Parties indicated they would not agree with the verbs maintain and fulfil.
- One Party noted that if all Parties to the new agreement have an obligation to maintain a contribution at all times, participation in the new agreement may not be universal. Several Parties noted the importance of differentiation and equity for individual efforts. One Party made a proposal for a specific annex.
- Many Parties noted the importance of individual efforts being expressed as specific to mitigation. Many groups/Parties noted that key features to be captured in the draft agreement would need to include: “quantifiability” (with some Parties saying this should not be mandatory); comparability; “aggregability”; that each contribution would need an unconditional element (with some Parties noting not all Parties would be able to do this); a long-term trajectory (with some Parties noting this should be addressed later in decisions); and binding upfront information (with other Parties saying this should be addressed in the transparency section). Some Parties noted that the Governing Body should further outline these features.
- Many Parties noted that the agreement should address the issues of housing, time frames/update of commitments as well as accounting in the context of mitigation.
- Ambition and progression;
- Implementing jointly;
  - The facilitated group endorsed the proposal developed in the informal meeting on implementing jointly to retain the first concept contained within Article 5 of Part I of the Co-Chairs’ Tool, which states that “Parties, including regional economic integration organizations and their member States, may prepare, communicate and [/or] implement [their] mitigation [commitments][contributions][actions] jointly”. Some Parties noted this will need further operationalization based on the language currently in Part III of the Co-Chairs’ Tool. Parties agreed that the other concepts contained in Article 5 of Part I of the Co-Chairs’ Tool relating to cooperative arrangements should be kept separate.
- Flexibility for LDCs/SIDS.
- Elements whose inclusion requires further consideration:
  - Markets;
    - This informal meeting on markets primarily addressed paragraphs 9 and 78 of Part II and Articles/paragraphs 14-19 of Part III of the Co-Chairs’ Tool. The report of the facilitator for this informal meeting is appended as annex 2 to this section of the Working document.
    - In addition, after the report to the facilitated group, one Party requested the Co-Facilitators to consider including non-market mechanisms, noting that REDD plus activities are a non-market mechanism. Another Party noted that the informal meeting focussed on the need for a provision in the agreement relating to transfer of mitigation outcomes and the need to manage such transfers that in manner that enhances environmental integrity.
  - “Non-markets” (Joint Mitigation and Adaptation Approaches and Cooperative Mechanism (Sustainable Development));
    - The informal meeting on this element primarily addressed paragraphs 10 and 29 of Part II, and Article/paragraph 20 of Part III of the Co-Chairs’ Tool. The consolidated report of the facilitator for this informal meeting is appended as annex 3 of this section of the Working document.
  - Actions in the Land Use Sector and REDD plus activities ;

- The informal meeting on this element primarily addressed Article/paragraph 21 of Part III, and paragraphs 11 and 12 of Part II of the Co-Chairs' Tool. The report of the facilitator of this informal meeting is appended as annex 4 of this section of the Working document.
- Response Measures;
  - The informal meeting on this element primarily addressed Article/paragraph 25 of Part III of the Co-Chairs' Tool. The informal meeting worked on a summary of aspects. That summary, as modified by the facilitated group, is appended as annex 5 to this section of the Working document.
- International Transport.

#### *Decisions*

- Parties expressed views on how the draft Decision 1/CP.21 should be developed, with the following issues raised by a number of Parties:
  - The need to identify which substantive decision provisions would be needed, including follow-up action in relation to intended nationally determined contributions;
  - The need for work programmes to elaborate provisions of the draft Agreement and develop further guidance.

Annex 1

Handout by the facilitator of the informal meeting on “differentiation” for the facilitated group on Mitigation

The focus of the spin-off group on differentiation is Article 4, part I, of the Co-Chairs’ Tool. The following issues were not part of the scope and will be taken up in the discussions on sections D and J:

Legal nature: [shall][should][other], [commitments][contributions][actions] (CCA)

Verbs: prepare, formulate, communicate, maintain, implement, enhance, regularly update, submit for assessment, ...

Housing of [commitments][contributions][actions]

Design features

Note: Two core approaches to differentiation identified were 1) self-differentiation and 2) those based on two categories. Parties also referred to Article 4 of the UNFCCC but have different readings of its implications for differentiation. Categories could be implicit or explicit.

Possible ways to differentiate <sup>9</sup>	Source	Example <sup>10</sup> of text illustrating this way
Nuanced <sup>11</sup> self-differentiation	Part I, Art. 4	<b>Option 2:</b> Each Party shall communicate and maintain a national schedule <sup>12</sup> setting out the efforts to reduce or limit GHG emissions that the Party intends to implement. <i>{para 21 opt 5 (chapeau) GNT}</i>
	Part I, Art. 4	<b>Option 1:</b> [Each Party][All Parties] [shall][should][other] [prepare,] [communicate,] [implement,] [maintain [at all times]] [successive] [proposed] [nationally determined] mitigation [commitments][contributions][actions][[, through successive and continuous commitment cycles with a common time frame, to be defined] in accordance with the provisions of section J]. <i>{parts of para 21 opt 1 (chapeau), opt 2 (chapeau) and 4 (chapeau), para 26 and 27 opt 1 GNT}</i>
Reference to Convention, all Parties	Part I, Art. 4	<b>Option 3:</b> In accordance with the principles of the Convention and its Article 4 <sup>13</sup> , all Parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall enhance the implementation of their commitments under Article 4, paragraph 1, of the Convention including through: <i>{parts of para 21 opt 1 (chapeau), and opt 6 (chapeau) GNT}</i>

<sup>9</sup> The ways are not mutually exclusive, but aiming to present ways to reflect differentiation of individual efforts on mitigation.

<sup>10</sup> This list is not comprehensive and only lists one example for each way of expressing differentiation.

<sup>11</sup> The degree of nuance depends on the choice of modulators

<sup>12</sup> Some read national schedules as implying differentiation through national determination; others read it as all Parties have the same type of CCA, a schedule.

<sup>13</sup> Some read references to Article 4 as a whole as implying differentiation based on categories. Others that references t Article 4.1 only is undifferentiated.

Based on two categories, developed and developing countries	Part III, Art. 7	<p><b>Option 3</b> 7.1 In accordance with Article 4, paragraphs 1, 3, 4, 5 and 7, of the Convention, developing country Parties should commit to undertake diversified enhanced mitigation actions during the period 2021–2030. Such nationally-determined diversified enhanced mitigation actions may be based on and be more ambitious than their NAMAs under the Bali Action Plan. They may include, inter alia, relative emission reductions; intensity targets; REDD-plus activities and other plans, programmes and policies; joint mitigation and adaptation approaches; net avoided emissions, or be manifested as adaptation co-benefits, in accordance with the Parties’ special circumstances and specific needs. They will be communicated and implemented in the context of sustainable development, subject to and enabled by the provision of adequate finance, technology and capacity-building support from developed countries in accordance with Article 4, paragraph 7, of the Convention, in a measurable, reportable, and verifiable manner. <i>{para 21.5 opt 3 GNT}</i></p> <p>7.2 In accordance with Article 4, paragraph 2, of the Convention, developed country Parties shall commit to undertake absolute emission reduction targets during the period 2021–2030 in accordance with [a global emission budget including] their historical responsibility, through quantifiable, economy-wide mitigation targets, covering all sectors and all GHGs, implemented domestically, which can be aggregated and which are comparable, measurable, reportable and verifiable, with the type, scope, scale and coverage more ambitious than those undertaken under the Convention and its Kyoto Protocol during the pre-2020 period, and communicated and implemented without any conditions. <i>{para 21.1 opts 5 and 6 GNT}</i></p>
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Modulators (no order of priority)<sup>14</sup>

1. Principles of the Convention, CBDR&RC, in light of different national circumstances
2. Parties have noted that the basis for mitigation efforts is national determination (e.g., INDCs)
3. Special circumstances of Parties, including LDCs, SIDS, Africa.(Part III, Art. 8)
4. Developed country leadership (Part III, Art 7, Option 2).
5. Progression, ambition (Part I, Art. 6 and 7) and no backsliding
6. Consider a global emission budget to be divided among all Parties in order to limit global warming to this century below 1.5°C (Part III, Art. 6, option 3)
7. Individual efforts over time to move towards economy-wide [commitments][contributions] [actions] at some point in the future (Part III, Art 11); this could happen voluntarily or through criteria (Art 7, opt 4(b) vi, Part III). Consider that "Parties that have quantified, economy-wide, absolute emission limitation or reduction target should maintain such a type".
8. "Developed countries" and "developing countries" identified implicitly or indirectly.
9. Developing countries eligible to receive support continue to receive support.
10. By type of CCA "Parties [shall][should][other] include one of the following options, in accordance with their common but differentiated responsibilities, national circumstances, development levels and capabilities, recognizing that the emissions of [developing countries][Parties not included in annex X] will grow to meet their social and development needs: a quantified, economy-wide, absolute emission limitation or reduction target in relation to a baseline year; a quantified, economy-wide emission limitation or reduction target relative to a projection of its emissions; a quantified, economy-wide emission limitation or reduction target relative to a unit of gross domestic product (GDP) in relation to a previous year; a quantified, economy-wide emission limitation or reduction target per capita; or non-economy-wide actions" *{para 21.5 opt 2 GNT}*
11. All common and some additional "All Parties shall enhance their mitigation commitments under Article 4, paragraph 1, of the Convention. Parties shall formulate, implement, regularly update, communicate and submit for assessment national commitments to reduce GHG emissions. Parties with additional commitments under Article 4, paragraph 2, of the Convention shall adopt commitments of a type, scope, scale and coverage at least as stringent as in the previous implementation period.]" *{para 21.5 opt 2 GNT}*

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<sup>14</sup> Modulators could be used to constrain or modify any of the ways above. The list is not comprehensive. Not all modulators apply to all the ways to express differentiation.

Annex 2Report of the facilitator of the informal meeting on “use of markets” for the facilitated group on Mitigation

- Some Parties showed their complete disagreement to the inclusion of market mechanisms in the agreement and set of decisions in Paris, but some of these Parties also showed their willingness to build bridges between positions.
- Among those Parties engaging in the discussion that supported market mechanisms, there were some key shared views:
  - Almost all Parties expressed the need for an explicit mention in the agreement of the possibility of using market mechanisms that allow for the transfer mitigation units among Parties.
  - These mechanisms were called in the informal meeting market mechanisms, international cooperation mechanisms, economic mechanisms and flexible mechanisms.
  - Parties expressed the view that these should be some of the many mechanisms or approaches facilitating the implementation of nationally determined contributions.
  - According to some Parties the explicit mention of the possibility of using these kinds of mechanisms in the agreement would provide a clear and strong signal to other key actors and might encourage them to engage in the process and would help to improve the quality of mitigation units.
  - Some Parties also recognized the need to describe the purpose of these mechanisms.
- It was also mentioned that these mechanisms should be used only by those countries that are interested in using them, so they cannot be mandatory nor affect domestic activities. In that regard some Parties noted they should not impose an additional burden for developing country Parties.
- The need to link transparency aspects and environmental credibility principles with explicit mention of these mechanisms was also stressed by some Parties. Those Parties see it as a way of reducing the risk of undermining environmental integrity and the quality of mitigation outcomes.
- Some Parties and groups made mention of having a centralized mechanism. Some Parties considered such a mechanism could be built upon existing approaches, including the new market mechanism
- Almost all Parties speaking in favour of mechanisms addressed the need for a work programme with clear tasks addressing some of the following issues:
  - Developing guidelines for establishing standards, including ensuring that mitigation outcomes were real, permanent, additional and verified.
  - Accounting/accountability, including provisions for preventing double counting and developing common metrics, transparency and eligibility rules, and net mitigation.
  - Some Parties related this work to the governing body for the new agreement or to a specific board.

Annex 3Consolidated report of the facilitator on the informal meeting on “non-markets” for the facilitated group on Mitigation

- During the discussions, a Party supporting non markets circulated a paper, and a revised version of it (both of which can be found on the ADP 2.10 page for inputs from Parties).
- There was a diversity of views about this issue and no consensus on the potential landing zone.
- Some Parties have still doubts about the meaning of non-market-based approaches and also about non-market mechanisms. In addition, some Parties requested more clarity about the link between distribution of a global emission budget and the issue of non-markets, which was pointed out above referenced papers.
- The general understanding of Parties is that non-market approaches refer to mitigation actions that do not produce units to be traded.
- Many Parties considered that the Convention is non-market based, that there are mechanisms already established by the Convention that are non-market-based, and the importance of such mechanisms to enhance cooperation internationally. One Party mentioned that non-markets is an issue because it is associated with the discussion of markets and because of the emphasis on markets.
- Some Parties expressed the view that balance needs to be achieved between markets and non-markets and that non-markets implies new ways to provide means of implementation. However, some Parties have difficulties to envision a shared purpose for markets and non-market approaches.
- Parties discussed the provisions relating to Part II of the Co Chairs’ Tool and whether the purpose of markets and a work programme for markets should be mirrored for non-markets. Some Parties considered there is no need to specify a use of market and non-markets.
- Some Parties said that time before COP 21 may be too limited to have in-depth discussions and reach a common understanding on the concepts and about the need for specific provisions on markets and non-markets.
- Some Parties expressed that concepts of mitigation and the scope of Parties’ [contributions][commitments][actions] may need to be understood first in order to them to assess the role of markets and non-markets.
- One Party suggested that a hook for multidimensional solutions in the agreement could be useful so that deeper discussions could take place after Paris.
- One Party suggested the need to understand the linkages between non-market-approaches, differentiation and implementing jointly.
- In the second discussion on the topic, Parties focussed on whether it would be limiting or premature to specify particular mechanism in the agreement. Parties considered what could be the form of a general reference in the agreement, but did not seek to formulate text.
- Some Parties do not want to include non-market approaches and non-market mechanisms in the agreement, other Parties still want to discuss concepts, principles and the nature about non-market approaches and mechanisms (such as, joint mitigation and adaptation (JMA), sustainable development). Other Parties consider that this is an issue that has to be integrated into the new climate agreement in a balanced manner, including the development of a work programme.
- Since non-markets is a broad concept, one Party made reference to the way in which JMA has been considered in the context of the decision forwarded by SBSTA to COP 21 in relation to the JMA, in order to bring a comparison with this discussion.

#### Annex 4

#### Report of the facilitator of the informal meeting on land use and REDD plus activities for the facilitated meeting on Mitigation

##### In relation to Land Use issues

- Many Parties mentioned that it is important to make use of the large mitigation potential in land use and REDD plus activities, as also identified by the IPCC.
- Many Parties also noted the opportunity this provides for developing country Parties to contribute, which is shown by the large number of developing countries already taking action in land use and REDD plus activities.
- At the same time, Parties stressed the need to take into account the unique features and multiple functions of land-use. In this regard, many Parties emphasized actions have to and would be nationally defined according to national circumstances.
- Issues mentioned in this regard were the effect on livelihoods, in particular of indigenous people, sustainable development, poverty eradication, biodiversity, the role for adaptation, and food security.
- Many Parties were of the view that existing experiences and agreed provisions should be taken into account and made use of, e.g. on GHG inventories, KP LULUCF, REDD plus activities.
- Some Parties considered that it was important for ‘land use’ or the ‘land sector’ to be recognized in the agreement, including as a durable signal to other bodies under the Convention.
- Parties identified a number of linkages to other issues being discussed, including transparency, accounting and finance. A number of Parties expressed the view that land use issues would be addressed implicitly by general provisions applicable to all sectors.
- Some Parties raised strong concerns about singling out a specific sector in the mitigation section of the agreement. It was also suggested that some specific provisions related to land use reporting and accounting might be more appropriate in the transparency section (section I).
- Flexibility and environmental integrity were stressed by many Parties.
- Concerns were brought forward in relation to the terminology of “land use” or “land sector”, which is undefined and not clearly understood by all Parties. Some Parties had specific concerns that this would include agriculture, and might result into trade barriers based on emissions. A proposal supported by some Parties was to refer to “emissions and removals” instead.
- Some Parties pointed out that the meaning and possible inclusion of “land sector” would be nationally determined by each Party in the preparation of their INDC.

##### In relation to REDD plus activities

- Many Parties highlighted the existing rule set for REDD+ and the completion of SBSTA negotiations, and that REDD+ is already ready for implementation.
- Many Parties were of the view that a specific reference to REDD+ and/or the Warsaw Framework for REDD+ would be needed in the agreement as a political signal of recognition.
- Others suggested that the decisions for REDD+ would continue and remain valid without any reference in the new agreement, and that further discussions would not be needed.
- A Party expressed strongly that the only section where REDD+ could be mentioned would be under finance, but not under mitigation.
- One Party was of the view that a balance would be needed in treatment between REDD+ and alternative policy approaches, such as the JMA, also recognizing the existing status of the JMA in COP decisions.



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Annex 5Summary from the informal meeting on response measures for the facilitated group on MitigationI. Agreement:

- Address response measures
  - Collective efforts
  - Individual efforts
- Strengthen existing institutional arrangements
- Reference to Convention 4.8 and 4.10
- Poverty eradication and food security
- Actions to address negative impacts
- Enhancing the work programme and activities
- Acknowledging the problems
- Establishment of a new institutional arrangement

Decision:

- Establishment of an international institution
  - The COP shall strengthen existing arrangements
- A permanent forum under the SBSTA
- Establishment of modalities for international cooperation under the COP
- Identify and measures impacts and gaps in implementation
- Recommend specific actions to avoid and minimize negative consequences

II. No text

## [Section E – Adaptation and loss and damage]

### *Main observations:*

- The last facilitated group on adaptation and loss and damage at ADP 2.10 met today from 10.00 a.m. to 11:30 a.m. Parties heard reports from the informal meetings on what Parties do on adaptation - including communication and on what Parties do on adaptation - support. Parties then shared initial observations on the last remaining issue posed by the Co-Facilitators at the outset of this session: institutional arrangements on adaptation.
- Some Parties informed the meeting on the status of textual proposals they are working on.
- During the week, Parties have engaged very interactively on a wide range of issues in a good atmosphere, outlined their positions clearly and specifically on those issues, and furthered their understanding on each other's proposal, and have also reflected on many proposals that had not been reflected on before in detail.
- This section reflects the reports from the informal meetings held during the session, as well as textual proposals referred to at the facilitated groups by Parties.

### *Reports by the facilitators on informal meetings on 3 September 2015:*

- Mr. Julio Cordano, the facilitator of the informal meeting on what Parties do on adaptation - including communication, reported as follows:
  - As a methodology, the facilitator presented a list based on the Co-Chairs' Tool to identify possible actions that countries do. That methodology was accepted by Parties in the spin-off group. There were no objections to the list although some Parties identified elements they thought were missing, including enhancing implementation and strengthening institutions or existing mandates of frameworks.
  - The methodology also considered very important elements such as references to principles of the Convention and sustainable development that are very important to this matter, but that are conceptually different to what Parties do in this context. The facilitator suggested not focusing specifically on those elements though Parties had the freedom to refer to them.
  - The facilitator identified a number of possible areas of convergence, and highlighted the following points:
    - National adaptation actions should be based on nationally determined and country-driven processes, be flexible, consider national circumstances and not be prescriptive. Flexibility is also important in terms of the vehicle through which to communicate;
    - A debate on how to apply differentiation on adaptation action is important, but Parties need further consideration to find common ground on this issue;
    - Elements such as co-benefits and mitigation–adaptation synergies are important.;
    - Monitoring and evaluation should be a flexible and party-driven mechanism that is not intended as an imposition from a higher entity or from outside, and should be tailored to national context;
    - Metrics is something that should be applied at the national level;
    - There was an interesting debate on why to communicate. The reasons identified by some Parties included that the communication of adaptation effort can be an additional platform for sharing information and learning from each other, including information on support on adaptation, as well as for gaining recognition;
    - There was a clear vision that adaptation is a common effort, is in the interest of everybody and is not restricted to a group of countries.
  - The facilitator stated that more refinement and work needs to be undertaken on these elements but overall the group made some good progress.

- Following the report, reservations were expressed around the idea of making the integration of adaptation into other plans mandatory in any way. It was emphasized that integrating is one of the things that countries may do, but does not represent the way everyone should do adaptation.
- The facilitator of the informal meeting on what Parties do on adaptation - support, Mr. Gottfried von Gemmingen reported as follows:
  - Parties engaged in a detailed discussion on what countries do on adaptation support. Parties expressed appreciation for this important first step where both views from finance and adaptation were able to speak together. They addressed the uniqueness and importance of adaptation support;
  - There seemed to be some convergence about assurances for continued adaptation support. The need for adequacy of adaptation support and for a balance with mitigation support articulated by some Parties may require more discussions;
  - Many Parties also emphasized the need for prioritization, in particular, of vulnerable countries such as LDCs and SIDS. Some convergence evolved about a priority of public and grant-based finance in particular for poor and vulnerable countries and people;
  - Clear positions were expressed on sources and instruments of finance, including public and private sources and levies from market mechanisms;
  - There was some discussion on what should guide action, such as predictability and support oriented to addressing the needs of vulnerable countries;
  - The question of the effectiveness of spending was also raised;
  - A further area of consideration is the need to consider domestic investments by developing countries;
  - There was some convergence about channeling funds through existing channels under the Financial Mechanism, through multilateral institutions and bilateral cooperation. In particular, the specific roles of the LDCF, AF and GCF were addressed. Many Parties included their views on what should be funded.
  - A range of views were expressed about integrating adaptation into overall development planning while maintaining visibility;
  - Funding for NAPs and loss and damage was mentioned in particular;
  - On placement, some constructive comments and specific suggestions were made on for placements in the respective chapters in the agreement and in the decision. These suggestions helped to illustrate a way forward for future text;
  - All Parties recognized that support included not just finance, but also technology and capacity-building.
- Following the report, some reservations and concerns were expressed about the discussions on adaptation finance, including with regard to private sector finance.

*Reports by the facilitators on informal meetings on 2 September 2015 (reported on 3 September 2015):*

- The facilitator of the informal meeting on loss and damage, Mr. Leon Charles, reported on the concrete achievement of the meeting, which is to develop two options as a basis for negotiation on loss and damage from here onwards:
  1. Containing provisions in the:
    - Draft Agreement for establishing a new mechanism to take over the operation of the Warsaw International Mechanism after 2020, which includes a climate change displacement coordination facility;
    - Draft Decisions:
      - To operationalize the institutions anchored in the Agreement;

- A clearing house for risk transfer schemes under the Warsaw International Mechanism;
  - 2. Containing COP provisions for, among others:
    - Recognizing the importance of loss and damage;
    - Recalling decisions 2/CP.19 and 2/CP.20;
    - A decision to continue implementing the Warsaw International Mechanism under the Convention;
    - Assurances on the permanence of the Warsaw International Mechanism and of responsiveness to the evolving concerns and needs of the most vulnerable countries;
  - In addition, his report noted that:
    - These two textual proposals would be made available before the end of this session, which will serve as a basis for negotiation from Bonn onwards.
    - In response to a request made by a Party, the G77 and China will provide a working description of the proposed climate change displacement coordination facility before the ADP session in October, which will allow all Parties to further enhance their understanding of this important arrangement proposed to be established by the Paris Agreement.
- The Co-Facilitator, Ms. Andrea Guerrero, reported on behalf of the facilitator of the informal meeting, Mr. Richard Muyungi, on the informal meeting on the global goal on adaptation/long-term vision for adaptation/collective efforts, as follows:
  - Parties engaged in a detailed and focused discussion on the elements of the global goal and collective efforts. Some Parties outlined very clear and concise lists of elements, which provided a good basis for discussion and future drafting;
  - Parties see these issues to be very much interconnected with individual efforts, institutions, support, and monitoring and evaluation. This makes it challenging when focusing on drafting a more concise text, but also provides an opportunity to understand the bigger picture;
  - Some Parties considered that having language on screen would make discussions more focused;
  - The facilitator summarized the meeting by reading out the elements on which there seemed to be convergence in the room:
    - The long-term [global goal][vision] for adaptation is to reduce vulnerability to the adverse impacts of climate change, to increase adaptive capacity, to enhance resilience, and to protect people, ecosystems and livelihoods based on best available science;
    - In order to achieve the long-term [global goal][vision] for adaptation, Parties shall commit to cooperate by sharing knowledge, recognizing adaptation efforts and investments, providing adequate support in the context of means of implementation, improving science, and strengthening institutions, including those within the UNFCCC;
  - The G77 stated that they are working on a proposal on the global goal and collective efforts, as well as individual efforts, and also stated that it will consult with other Parties and aim to have a text ready on the morning of 3 September.

#### *Textual proposals*

- Three textual proposals were submitted by the Group of 77 and China, the United States of America, Canada, Japan, New Zealand, Norway and Switzerland in the course of the week on topics related to adaptation and loss and damage.

**ONE****ADAPTATION**

1. A [Global Goal][Long Term vision] for adaptation is hereby established [in accordance with] the objective, principles and provisions of the Convention, including common but differentiated responsibilities and respective capabilities, [its Article 4 and including obligations of developed country Parties to take the lead and undertake their commitments according to Article 4, [and] with a view to ensuring that adaptation is addressed with the same urgency as mitigation [aimed at reducing vulnerability and building resilience] [enhancing] adaptive capacity in developing country Parties] while recognizing the local, regional and global dimensions of adaptation and that adaptation is a current, vital, inevitable and ongoing effort as a consequence of historical emissions.

2. The [Global Goal][Long Term vision] for adaptation shall [be the basis] [be based on] [provide for], [inter alia]:

(a) The provision of adequate and regularly enhanced support [, including finance, technology development and transfer and capacity-building] for developing countries] to meet their adaptation needs;

(b) Recognition of the urgent and immediate needs and special circumstances of developing country Parties, especially those that are particularly vulnerable;

(c) The sharing of good practices by all Parties [, including a knowledge dimension informed by science, planning and policy aspects][to implement adaptation actions];

(d) Assessment for the adequacy of support from developed country Parties to developing country Parties and a platform to assess it through strengthened MRV of support;

(e) The understanding of [the increased] adaptation needs in the light of [low mitigation ambition;] [increased adaptation burden from low mitigation.] Taking into account that adaptation will be needed [regardless of the level of mitigation reached].

(f) And the recognition of adaptation efforts of developing countries to [address][respond to] climate change].

**TWO****Loss and Damage to be inserted in Part One****DEFINING A LOSS AND DAMAGE MECHANISM UNDER THE AGREEMENT**

41. An international mechanism to address loss and damage is hereby defined under this agreement and shall be bound by the principles and provisions of the Convention.

42. The purpose of the mechanism shall be to promote and support the development and implementation of approaches to address loss and damage associated with the adverse effects of climate change. inter alia, extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change. *{Opt II para 29 SCT}*

43. The international mechanism on loss and damage shall draw upon, further develop and elaborate on the work of the Warsaw International Mechanism on Loss and Damage pursuant to relevant COP decisions, including the development of modalities and procedures for the mechanism's operation and support. It can involve, as appropriate, existing bodies and expert groups under the Convention, as well as relevant organizations and expert bodies outside the Convention, and be informed by relevant precedents in international law. *{Opt II para 30 SCT}*

44. The international mechanism on loss and damage shall be subject to the authority and guidance of the governing body. *{Opt II para 31 SCT}*

44 bis The governing body shall, at its first session, establish a climate change displacement coordination facility to help to coordinate efforts to address the displacement of people as a result of the extreme impacts of climate change.

45. The governing body shall, at its first session, initiate a process to develop approaches to address irreversible and permanent damage resulting from human-induced climate change, and shall endeavour to complete this process within four years. *{Opt II para 32 SCT}*

### **COP Decisions on Loss and Damage Part II**

1. Parties are encouraged to develop early warning systems and risk management plans for both extreme events and slow onset events and to communicate them to the secretariat as part of their national communications, in accordance with the modalities and procedures to be developed and adopted by the Conference of Parties. *{Opt III chapeau of para 29 and a. SCT}*

2. As part of its work, the Warsaw International Mechanism on Loss and Damage shall develop guidelines for a comprehensive approach to climate risk management. *{Opt III para 33 SCT}*

3. A financial technical panel shall be established under the Warsaw International Mechanism for Loss and Damage which shall explore approaches for:

- (a) Establishing regional and subregional pools to support regional and subregional risk transfer schemes;
- (b) Providing support for microfinance initiatives;
- (c) Exploring finance for slow onset events.

4. The Conference of Parties shall develop interim modalities and procedures for the operation a climate change displacement coordination facility and which shall:

- (a) Assist in developing arrangements for emergency relief;
- (b) Assist in providing organized migration and planned relocation.

5. The Warsaw International Mechanism on Loss and Damage shall establish a clearing house for risk transfer that shall:

- (a) Provide a repository for information on insurance and risk transfer;
- (b) Assist Parties in developing risk management strategies and finding best insurance schemes;
- (c) Facilitate financial support for rehabilitation.

### **Preamble to Part I**

#### **RELATIONSHIP BETWEEN ADAPTATION, MITIGATION AND LOSS AND DAMAGE**

*[Emphasizing the integral relationship between the level of mitigation action and the efforts of all Parties will be required to adapt to climate change and address loss and damage,] {pp22 SCT}*

Pp 21 **LOSS & DAMAGE AND ADAPTATION** *[Recognizing that loss and damage associated with the adverse impacts of climate change includes and in some cases involves more than what can be reduced by adaptation, and is therefore distinct from adaptation,]*

## **THREE**

### **For a Paris decision**

*Recalls* decisions 2/CP.19 and 2/CP.20 on the Warsaw International Mechanism on Loss and Damage associated with the adverse effects of climate change;

*Invites* all Parties to reduce the risk of and address loss and damage associated with the adverse effects of climate change;

*Encourages* all Parties to strengthen early warning systems and comprehensive risk management planning for both extreme and slow onset events associated with the adverse effects of climate change;

*Decides* that the Warsaw International Mechanism under the Convention, will, following the review in 2016, continue to serve as the mechanism for loss and damage;

*Requests* the Executive Committee of the Warsaw International Mechanism, which guides the implementation of the functions of the Warsaw International Mechanism, to develop guidance for a comprehensive approach to climate risk management;

*Also requests* the Executive Committee to establish, as part of its workplan, a clearing house for risk transfer that serves as a repository for information on insurance and risk transfer in order to facilitate the efforts of Parties to develop and implement comprehensive risk management strategies;

*Further requests* the Executive Committee to complement, draw upon the work of and involve, as appropriate, existing bodies and expert groups under the Convention, as well as that of relevant organizations and expert bodies outside the Convention, to enhance understanding, coordination and cooperation with regard to displacement, migration and planned relocation in the context of climate change, where appropriate, at the national, regional and international levels.

## [Section F – Finance]

*Main observations:*

- Parties engaged in extensive and constructive discussions on various issues related to finance, clearly identifying and further clarifying some of the concepts that, in their view, need to be addressed in the Agreement and/or the Decisions, thereby significantly contributing to crystallizing the overall storyline or narrative of the finance section of the Agreement and the Decisions. Issues that were particularly focused on included: institutional arrangements and the Financial Mechanism; the notion of scale and scaling up; commitments/obligations/actions; sources of climate finance; and objective/guiding principles/thematic funding. More information on the specific proposals and concepts that were put forward is contained in this document in order to inform the Co-Chairs of the rich discussions that took place throughout the week.
- Further clarification was sought by Parties from the Co-Chairs with regard to where and how the issues of thematic funding and measurement, reporting and verification of support/transparency would be addressed. In addition, one group of Parties indicated that, with regard to the issue of institutional arrangements, a briefing by the legal team of the UNFCCC secretariat during the ADP session in October may be a useful attribution to further clarifying some of the legal issues and questions that Parties may have in that regard.
- Additionally, and in the spirit of introducing proposals that could potentially build bridges between the diverging options and proposals currently contained in the Co-Chairs' Tool, Parties and groups of Parties made great efforts to provide a number of concrete textual proposals, particularly on the issues of: institutional arrangements;<sup>15</sup> the notion of scale and scaling up;<sup>16</sup> enabling environments;<sup>17</sup> objective/commitment/purpose of finance;<sup>18</sup> loss and damage to be reflected in the core Agreement;<sup>19</sup> and the outline for the finance section of the Agreement.<sup>20</sup> All submissions have been made available on the UNFCCC website.<sup>21</sup> Parties were given the opportunity to introduce their submissions, as well as to react to the submissions made, and engage in in-depth discussions on that basis. Upon conclusion of the facilitated group, one additional submission was received on the issue of finance for REDD-plus.<sup>22</sup> The Co-Facilitators wish to bring these textual proposals to the attention of the Co-Chairs.

Work on the notion of scale, scaling up

- The notion of scale, scaling up was discussed in two informal meetings of the facilitated group on finance on Wednesday, 2 September 2015. Two oral reports were delivered to the group by one Party delegate designated to report on the discussion. During these discussions, Parties discussed concepts that would have to be anchored in the draft Agreement as well as in draft Decisions.

<sup>15</sup> Four submissions were received from: G77 and China (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_g77andchina\\_02sep2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_g77andchina_02sep2015_ip.pdf)>); EU (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_institutions\\_eu\\_3sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_institutions_eu_3sept2015_ip.pdf)>); Australia, Canada, Japan, New Zealand, and the United States (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_ugcountries\\_australia.can.jpn.nz.usa\\_3sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_ugcountries_australia.can.jpn.nz.usa_3sept2015_ip.pdf)>); Republic of Korea (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_korea\\_3sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_korea_3sept2015_ip.pdf)>).

<sup>16</sup> One submission was received from: G77 and China (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_g77andchina\\_3sept2015\\_ip3.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_g77andchina_3sept2015_ip3.pdf)> ).

<sup>17</sup> Two submissions were received: EU (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_enabling\\_environments\\_eu\\_3sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_enabling_environments_eu_3sept2015_ip.pdf)> ); Australia, Canada, Japan, New Zealand, and the United States (<[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_ug\\_4sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_ug_4sept2015_ip.pdf)>).

<sup>18</sup> Two submissions were received: G77 and China (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_g77andchina\\_3sept2015\\_ip4.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_g77andchina_3sept2015_ip4.pdf)>); EU (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_purpose\\_of\\_climate\\_finance\\_eu\\_3sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_purpose_of_climate_finance_eu_3sept2015_ip.pdf)>).

<sup>19</sup> One submission was received from: G77 and China (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_e\\_g77andchina\\_4sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_e_g77andchina_4sept2015_ip.pdf)>).

<sup>20</sup> One submission was received from: United States (available at: <[http://unfccc.int/files/bodies/awg/application/pdf/adp2-10\\_f\\_4sept2015\\_ip.pdf](http://unfccc.int/files/bodies/awg/application/pdf/adp2-10_f_4sept2015_ip.pdf)>).

<sup>21</sup> Available at: <<http://unfccc.int/bodies/awg/items/9158.php>> .

<sup>22</sup> Available at: <<http://unfccc.int/bodies/awg/items/9158.php>> .



- In this context, Parties addressed the issue of level/scale of support, with some proposals outlining that it should be commensurate with and meet the level of ambition, and/or be commensurate with developing countries' needs and priorities.
- With regard to the issue of scale as such, proposals made by some Parties indicated that scale is to, inter alia: address and have a clear link to the overall temperature goal; be linked and in line with the objective of the Convention; be based on the needs of developing countries and identified gaps in the provision and delivery of support; and some Parties see scale in the context of a set of action.
- On the notion of scaling up support, some Parties proposed that it should be an obligation and commitment, within the context of Article 4, paragraph 7, of the Convention, regular and systematic, as well as regularly reviewed, and/or be based on periodic assessments every four years. Linked to that, proposals put forward by Parties with regard to the notion of scaling up included that it should be based on: a floor of USD 100 billion per year; a GDP-based calculation; a burden-sharing formula or arrangements; clear pathways for scaling up, based on periodic needs assessments, or from current levels. Further proposals included the anchoring of a long-term qualitative collective goal on means of implementation, a broadening of the contributor base, and that scaling up should come from a variety of sources, with support being only one element. The issues of predictability of resources, as well as a commitment to conducting needs assessments, were also mentioned in this context.
- Other views that Parties put forward referred to the scaling up of efforts or actions to be taken by all, including such actions as: the mainstreaming of climate change; the shift/redirection of investment flows; the mobilization of private finance; the mobilization of climate finance at scale; enabling environments; and the scaling down of international support for high-carbon investments.
- The importance of measurement, reporting and verification/transparency of support was also raised by some Parties; for example: in the context of a common reporting format to reflect on scaled-up quantified contributions; as an essential element also with regard to effectiveness; or as a means to recognize contributions by a broader contributor base.
- A few other concepts that some Parties would see as essential in the context of scale and scaling up, included: the need for an anchoring of a 50:50 balance between support for mitigation and adaptation; an acknowledgment of the importance of adaptation as a crucial element; a recognition of agreed language regarding the specific needs and special circumstances of particularly vulnerable countries; the need for effectiveness; that all instruments and channels should be used; that an element of progression should be captured; as well as acknowledging the increasing importance of the private sector, and that without a clear definition of what climate finance means, it becomes difficult for Parties to have a common understanding of what it is that they are discussing scale in relation to.
- Concepts that could possibly be captured in decisions, as raised by some Parties, included: the process through which the determination of the level of the needs and priorities of developing countries would be carried out; the determination of the level of resources required, as per Article 11, paragraph 3(b), of the Convention, to lead to a clear road map of individual annual commitments and details on this road map; details of the revision of the guidelines for national communications; or guidance to the operating entities of the Financial Mechanism provided by the governing body to include the strengthening of the issue of the determination of funding necessary and available.

#### Work on sources of climate finance

- Parties engaged on the issue of sources during one informal meeting of the facilitated group on finance on Thursday, 3 September 2015. One Party representative reported to the group on the discussions. This included a general common understanding that, in the light of the challenges at hand, sources of climate finance cannot be limited to only one source, as well as that the concept of sources should be anchored or recognized in the draft Agreement; however, there were diverging views on whether or not there is a need for some sort of operationalization regarding the concept of sources to be captured or anchored in the draft Decision.
- Through the discussions, two lines of thought with regard to the capturing of the issue of sources in the draft Agreement became clearer. One would be along the lines that, in line with the principles and provisions of the Convention, financial resources shall be provided from public sources, and are to be the main source, and that financial resources may be mobilized from other sources, including private sources, with the

understanding of the complementary/supplementary nature of such sources. The other line of thought would be around the issue of climate finance to be mobilized from a variety of sources, including public, private and alternative sources.

- Parties additionally identified a number of ideas and concepts around the issue of sources. For example, issues around adequacy and predictability were raised. With regard to private sources, various Parties raised various concerns, including with regard to: the profit-oriented nature of private sources; the suitability of private sources, particularly with regard to adaptation; and the question of the capability of private sources in relation to meeting the temperature goal. Some Parties are of the opinion that the private sector is out of the remit of the Convention; however, indicating that it is within the remit of the Convention to create, for example, incentives for private-sector engagement. Some Parties highlighted the importance of private finance for the transformation to a low-carbon and climate-resilient economy and the notion of scale related to it. Various Parties pointed out that there is a need for further consideration with regard to the use of sources other than public, including, for example, the establishment of clear processes for such considerations.
- Parties also referred to the issue of channels: some would like to see specific mention of the Financial Mechanism and its operating entities, while others highlighted the need to make use of a wide variety of channels and a broad range of instruments, such as grant-based assistance, concessional loans, commercial financing, bonds and export credits.
- Furthermore, Parties mentioned various issues around transparency, the measurement, reporting and verification of support, and accountability, particularly with regard to private/alternative sources.
- Overarching issues that were pointed out by some Parties included: the importance of grant-based assistance to prioritize the poorest and most vulnerable countries; the need for additional resources to be mobilized from private sources, while ensuring that the principle of fiscal sovereignty is anchored in the draft Agreement; and the importance of taking into consideration the suitability of sources with regard to specific areas, particularly adaptation.
- Further specific concepts that were mentioned by some Parties included: the issue of voluntary South–South cooperation; the possibility of anchoring proceeds from existing and new mechanisms, including market mechanisms, in the new draft Agreement, with other Parties not seeing the need for the inclusion of market mechanisms in the new draft Agreement; as well as need to anchor support for the development of the private sector in SIDS; the importance of effectiveness in the context of the use of sources; as well as the nature of public finance and its role under the Convention, particularly with regard to catalysing actions and mobilizing other sources of climate finance.

#### Work on objective/guiding principles/thematic funding

- In an informal meeting of the facilitated group on finance, Parties discussed the issues of objective, guiding principles and thematic funding on Thursday, 3 September 2015, with Parties focusing their interventions, also due to lack of time, on the former two issues. A Party representative reported to the facilitated group on finance on Friday, 4 September 2015, on the outcome of the discussions, indicating that a large number of Parties, however not all Parties, were of the general view that there is a need to capture the objective, as well as guiding principles, of climate finance in the Agreement.
- With regard to the objective of finance, four elements were outlined by some Parties, which could be summarized as follows:
  - To do what? And by whom? The overall aim or purpose of climate finance, including who should be contributing under the Agreement. Specific concepts that were raised included: financial resources as an enabler of enhanced actions by developing countries; and by developed countries only or developed and developing countries;
  - In which areas? The thematic areas that would have to be addressed by climate finance include adaptation, loss and damage, mitigation, capacity-building, and technology development and transfer;
  - The context? The achievement of the temperature goal and the transformation required to that end;
  - To what end? To achieve effective climate change action and outcomes.

- Within this discussion, the following concepts were raised: the direct proportionality of enhanced ambition and support; the importance of meeting the costs of adaptation; the need for scaling up, predictability and accessibility; and the need for action to be taken by all to mobilize climate finance.
- On the issue of guiding principles, some Parties indicated specific concepts that would have to be addressed; however, it was mentioned that greater clarity is needed to distinguish between guiding principles and commitments, as well as where specific concepts should be captured (i.e. in the Agreement or in the Decisions). Specific concepts identified that many felt would have to be addressed in guiding principles included, for example: that guiding principles would have to address all means of implementation, speak to the special needs and circumstances of LDCs, SIDS, and Africa, and address the need for country-ownership, the delivery of mitigation and adaptation results that are able to be measured, reported and verified, and the building of a partnership among governments, development partners and the private sector; as well as access, allocation and instruments related matters.
- In the context of the facilitated group on finance, and in response to the report of the Party delegate, various concepts were raised by some Parties that would additionally need to be addressed, which included: a gender-sensitive approach, gender balance and gender equity; a reference to REDD-plus; and a reference to sustainable development.
- An informal meeting of the facilitated group on adaptation and loss and damage took place on Thursday, 3 September 2015, on the issue of what countries do in relation to support for adaptation. The outcome of this discussion was reported by a Party delegate on Friday, 4 September 2015. The working document of section E of Friday, 4 September 2015, will reflect this report.
- During an informal meeting of the facilitated group on finance, Parties further engaged on the issue of thematic funding, indicating which thematic concepts they would see need to be captured, either through a reference in the Agreement, or decisions, or both, with various Parties indicating that a general reference to such areas in the Agreement may be sufficient, with further details to be provided in the Decisions. Particularly, Parties made reference to the need for referencing the thematic areas, inter alia, of: those identified in Article 4, paragraph 1, of the Convention; financing for forests and REDD-plus finance, including the Warsaw Framework for REDD-plus, with a few Parties also making reference to the need to include the joint mitigation and adaptation approach in this regard; adaptation finance; loss and damage; support for readiness; scientific and technical cooperation; response measures; Article 6; technology development and transfer; and capacity-building. Another concept raised referred to the need for further discussions with regard to measurement, reporting and verification, particularly with regard to the methodologies relating to the goal of USD 100 billion per year.

#### Work on commitments/obligations/action

- The informal meeting of the facilitated group on finance in the afternoon of Wednesday, 2 September 2015, covered the issue of commitments/obligations/actions as agreed in the facilitated group on finance.
- With regard to commitments and obligations, Parties referred to the existing commitments and responsibilities under the Convention. Some Parties pointed out the link between the commitment to provide financial resources and the enhanced implementation of the Convention; other Parties indicated that this would also require effort and action by all in order to mobilize the financial resources required to this end, while fully acknowledging the commitments of developed country Parties as defined by the Convention, or that they see the commitments/obligations/actions as building blocks that will add value to the Convention and allow to enhance collective action. Specific concepts that were mentioned included: the scaling up of support, the enhancement of existing commitments, the need for periodicity and review of commitments, the need for increasing ambition over time, and the need for predictability and adequacy.
- Concerning the notion of actions, various concepts were identified by some Parties, including: cooperation to promote the mobilization of climate finance from a variety of sources; prioritization of the poorest and most vulnerable countries in the provision of grant-based assistance; mainstreaming climate change in development processes; improving of enabling environments; scaling down support to high-carbon investments; making voluntary contributions in the form of actions taken by developing countries without support, for example, in the context of South–South cooperation; and increasing transparency on support.
- In particular, the concept of enabling environments was discussed at a more in-depth level since various Parties had pointed out that more conceptual clarity is needed on this issue. There were divergent views on

the need to capture the concept of enabling environments in the draft Agreement. Some Parties emphasized the need to capture a collective effort by all Parties to enhance enabling environments in the draft Agreement as they perceive this more in terms of an enabler contributing to, for example, overcoming existing barriers in order to access financial resources, rather than as conditionality for support. Other Parties expressed concerns regarding a perceived conditional aspect intrinsically linked to the concept of enabling environments, as well as regarding a lack of clarity on this concept. Another notion raised by some Parties in the context of enabling environments was the need for enabling environments not only at the domestic level, but also at the multilateral level, for example, through commitments on financial resources and the provision of adequate and predictable resources.

- The concept of investments was also briefly discussed, with some Parties seeing the enhancement of low carbon investment and the transformational shift related to that end as an important concept to be captured in the draft Agreement, while others were of the view that this concept may transgress the scope of climate finance discussions, and that more clarity on the implementation of anchoring this concept in the draft Agreement may be needed.
- Some Parties indicated that they would provide textual proposals on the issue of commitments/obligations/actions; others indicated specific textual elements contained in the Co-Chairs' Tool on the basis of which the current text contained in the draft Agreement and the draft Decision could be enhanced and/or added to. Various Parties indicated that they will continue to engage also on a bilateral basis on some of the concepts identified.
- During an informal meeting of the facilitated group on finance on Friday, 4 September 2015, Parties engaged in in-depth discussions on the concept of "dynamism", with Parties outlining their understanding of how this concept could be addressed in the Agreement.
- Various Parties pointed out that the notion of dynamism could tackle: the need for an increase of contributing Parties; and recognition of the fact that all Parties need to enhance, regularly update or scale up their actions/efforts, or play a role. Proposals put forward in this context included, inter alia, the need to address, in the Agreement, the dimension of evolving capabilities and the ability of Parties to mobilize and facilitate climate finance on the one side, and the changing needs, also in the context of mitigation and adaptation ambition, on the other side. Another notion referred to the need for a commitment for all Parties in a position to do so, but in a differentiated manner, depending on their respective capability, which would entail a progression over time in a non-numerical manner. Yet another proposal referred to the need to continue the enhancement of commitments under the Convention, whilst also referring to actions to be taken over time in order to increase climate finance and to make the necessary transition, which would also include the need for support to enhance enabling environments. A further concept identified referred to the need for the various principles underlying climate finance to work together in a dynamic way, including, for example, the need for enabling environments, country-ownership and the need for effectiveness.
- Possible tools or elements identified as to how this notion of dynamism could be addressed included: the replenishment of the operating entities of the Financial Mechanism; the biennial assessment and overview of climate finance flows conducted by the Standing Committee on Finance; the strategies and approaches to be submitted by developed country Parties; needs assessment to be conducted on a developing country basis; ex-ante information, with, for example, donors providing qualitative information on their strategies for mobilizing support, and recipients providing qualitative information on efforts to improve their domestic enabling environments; and ex-post information/measurement, reporting and verification of support/transparency, which would include an overview of a 'menu of options', in which all countries would select the relevant elements depending on whether they are identified as: (a) providers of climate finance; (b) recipients of climate finance; or (c) both providers and recipients; and the need for continued leadership by developed country Parties.
- Many Parties raised concerns with regard to the notion of dynamism and some of the proposals that were outlined, including with regard to: the need for adequacy and predictability; existing commitments under and principles of the Convention; capacity constraints that developing country Parties are faced with, including with regard to institutional capacity, particularly in terms of possible increased transparency and reporting requirements; lack of clarity around the issue of enabling environments; the need for sustainable development; as well as the link between the notion of dynamism and the issue of differentiation. In this context, various Parties also pointed to the already existing efforts undertaken by developing countries in terms of mobilizing climate finance, contributions to multilateral channels, trilateral flows and South-South cooperation.

- Many Parties pointed out that further discussion would be needed at the ADP session in October in order to reach a better understanding of the underlying concept.

#### Work on institutional arrangements – Financial Mechanism

- Parties initiated informal deliberations with discussions focusing on the issue of institutional arrangements (Financial Mechanism), as agreed on in the facilitated group. Two Party representatives reported back on the outcome of the informal meetings, which was shared with the facilitated group on finance in the evening session, with the following issues having been identified:
  - The Financial Mechanism as described in Article 11 of the Convention is to serve as the Financial Mechanism of the new Agreement, as Parties saw no need for the creation of a new Financial Mechanism;
  - The existing funds will remain in place, but there is no convergence on whether and how such funds should be reflected in the draft Agreement/Decision, so more discussions on this issue may be necessary;
  - There is a need to continue to provide guidance to the operating entities of the Financial Mechanism, but the question of the channel for such guidance remains (e.g. Agreement, Decision or regular COP agenda item);
  - There was an agreement that the Standing Committee on Finance will continue to assist Parties with regard to the Financial Mechanism, including with regard to increasing the coherence and coordination of the Financial Mechanism;
  - An opportunity to create new institutional arrangements may be needed, should Parties see the need for this;
  - Issues such as importance of predictability and accessibility were also raised.

## [Section G – Technology development and transfer]

### *Main observations:*

- Parties recognized the importance of technology development and transfer in the draft Agreement and that the current section could be strengthened.
- Parties agreed that cooperative action is key to facilitate and promote technology development and transfer, and some Parties were of the view that the provisions of the current text could be enhanced to include other aspects.
- Most Parties expressed the view that the institutional arrangement on technology development and transfer is an important element to serve the draft Agreement, but there are different views on how to strengthen the institutional arrangement.
- Parties discussed the proposed framework on enhanced action on technology development and transfer, trying to identify ‘what to do’ (in the draft Agreement) and ‘how to do it’ (in the draft Decision). The discussion clarified that the framework:
  - Is not intended to create new institutions;
  - Would provide direction and overarching guidance to the work of the existing institutions in the medium and long terms and strengthen them.
- Parties discussed the following possible elements of the narrative of the draft Agreement for the technology section:
  - A group of Parties proposed the possible elements as follows:
    - Aspirational (long-term) aspects to enhance technology development and transfer;
    - Cooperative actions;
    - Specific actions by Parties (many elements contained in Part III of the Tool<sup>23</sup> could be used as the basis for further discussion);
    - Institutional arrangement and resource support (funding) to support these enhanced actions;
  - Another Party proposed other possible elements as follows:
    - The role of technology;
    - Recognition of positive developments;
    - Cooperative action, which could include other provisions in the text;
    - Institutional arrangements;
  - Another Party proposed other possible elements as follows:
    - A section on the importance of technology;
    - Developing and strengthening institutions and mechanisms;
    - Reviews and how to update them over time;
    - Restatement of commitment to address barriers and commitment to enhance the deployment of technology.
- Based on the output of an informal meeting (spin-off group), Parties further engaged in discussion on possible elements of the narrative of the draft Agreement for the technology section and reflected their views in the table below. This table has no status and will serve only as an internal tool for Parties to assist their consideration on how these elements (listed in the first column of the table) relate to current provisions in the Tool. In relation to what could be part of the draft Agreement and what could be part of the draft Decision:

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<sup>23</sup> ADP.2015.4.Informal Note, Annex II - available at < <http://unfccc.int/resource/docs/2015/adp2/eng/4infnot.pdf> >

- Parties converged on a number of elements to be reflected in the draft Agreement:
  - Recognition of the important role of technology;
  - Cooperative actions;
  - Anchoring technology institutional arrangements;
- With regard to the recognition of the important role of technology, Parties noted that this element would be best placed in the preamble to the draft Agreement;
- With regard to the framework for enhanced action, Parties recognized that further discussions were needed in order to clarify which aspects of this element could be part of the draft Agreement and draft Decision;
- Parties also agreed that aspects of strengthening institutions and the framework could be elaborated in the draft Decision;
- Parties noted that technology needs assessment and periodic assessment of institutional arrangements (current provisions in Part II of the Tool) could be part of the draft Decision;
- A number of Parties proposed that several provisions currently in Part III of the Tool be moved to Part I, including provisions on framework, addressing barriers, and access and innovation;
- Some Parties also noted that important elements of the technology section that appear in the table have not yet been addressed and this remains a task to be undertaken.
- Parties were presented with the output of an informal meeting (spin-off group) on textual work on the following topics: cooperative actions, anchoring institutional arrangements and framework for enhanced actions, as contained in the annex to this document. Furthermore, it was reported that:
  - On cooperative actions: there was no agreement on which proposal would be used as the way to move forward with textual work;
  - On anchoring institutional arrangements: Parties did not have the opportunity to discuss the second textual proposal due to time constraints;
  - On framework on enhanced action on technology development and transfer: some Parties expressed the view that they could not agree on the placement of this issue in the Agreement;
- Parties also noted that the informal meeting discussed other topics: access to and innovation of technology and the global goal on technology;

*Notes by the Co-Facilitators and next steps:*

- Some Parties expressed their concerns with regard to the mode of work and viewed that continuing with only conceptual discussion could potentially delay the progress to move forward. Therefore, they suggested that for the upcoming sessions, discussion should be based on texts, while conceptual discussion could be engaged in as necessary.

Key aspects in section <b>Technology</b>	Part I: Draft Agreement	Part III:	Part II: Draft Decision
<ul style="list-style-type: none"> <li>• Objective/purpose/global goal</li> <li>• <b>Role and importance of Technology (introduction)</b> <ul style="list-style-type: none"> <li>○ Successes</li> <li>○ Gaps/evolving needs, finance, access, innovation</li> </ul> </li> <li>• What we plan to do, capture gaps: framework</li> <li>• <b>Cooperative action</b></li> <li>• <b>Anchoring institutions</b></li> <li>• Framework</li> <li>• <b>Strengthening institutions and framework</b> <ul style="list-style-type: none"> <li>○ What existing institutions are doing (reiteration): (TNA)</li> </ul> </li> <li>• Review and how to update overtime <ul style="list-style-type: none"> <li>○ Review of Framework</li> </ul> </li> <li>• Restate commitments to address barriers and commitments to enhance deployment of technology</li> </ul>	20. <b>COOPERATIVE ACTION</b>	70. GLOBAL GOAL FOR TECHNOLOGY	34. <b>TECHNOLOGY NEEDS ASSESSMENT</b>
		71. <b>FRAMEWORK FOR ENHANCED ACTION</b>	35. <b>STRENGTHENING INSTITUTIONAL ARRANGEMENTS</b>
		72. INDIVIDUAL EFFORTS	36. SUPPORT OPERATIONALIZATION AND DELIVERY
		72.1. ADDRESSING BARRIERS BY DEVELOPED COUNTRIES	37. ENHANCING COOPERATION
		72.2. ADDRESSING BARRIERS BY DEVELOPING COUNTRIES	38. <b>PERIODIC ASSESSMENT OF INSTITUTIONAL ARRANGEMENTS</b>
		72.3. ACCESS AND INNOVATION	84. <b>TECHNOLOGY WORK PROGRAMME</b>
		72.4. TECHNOLOGY NEEDS ASSESSMENT	71. <b>FRAMEWORK FOR ENHANCED ACTION</b>
		72.5. RESEARCH, DEVELOPMENT AND DEMONSTRATION	
		72.6. INDIVIDUAL EFFORTS – TECHNOLOGY COMPONENT	
		72.7. COLLECTIVE COOPERATION	
	73. <b>INSTITUTIONAL ARRANGEMENTS TO SERVE THE AGREEMENT</b>		

- Green: there is convergence to have the provision in the draft Agreement.
- Yellow: that there is convergence to have the provisions in the draft Decision.
- Grey: further discussions are needed to clarify which aspects of this element could be part of the draft Agreement and draft Decision.



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**Annex – Output of the informal meeting on Drafting: cooperative actions, anchoring institutional arrangements, and framework for enhanced actions****Cooperative action**

20.

All Parties [, in accordance with their common but differentiated responsibilities and respective capabilities] [in light of their evolving circumstances and capabilities] [shall][should] strengthen cooperative action to promote and enhance technology development and transfer including through the institutional arrangements for technology under the Convention in order to support the implementation of mitigation and adaptation [actions][commitments] under this agreement.

Developed country Parties, in accordance with the principles and provisions of the Convention, in particular Article 4, paragraphs 1, 3 and 5, and Article 11, shall strengthen [their] cooperative action to promote [, and facilitate] and enhance technology development and transfer to better facilitate the implementation of the Convention and promote [, and facilitate] and enhance access to environmentally sound technologies and know-how including through the institutional arrangements for technology established under the Convention and through the Financial Mechanism.

**Anchoring institutional arrangements**

73.

The [Technology Mechanism] [and] [any] [institutional arrangements for technology [development and transfer]] established under the Convention shall serve this Agreement [, including facilitating enhanced action [and access to environmentally sound technology and [know-how]] [from developed countries to developing countries] on technology development and transfer and [know-how] [from developed countries to developing countries] [among all Parties] and supporting Parties in implementing their [contributions][commitments][actions] under this Agreement].

The institutional arrangements for technology development and transfer established under the convention shall serve this agreement, including facilitating enhanced action and Access to environmentally sound technology and know-how among all Parties to support all Parties in implementing their (mitigation and adaptation) commitments under this agreement.

**Framework for enhanced actions**

71.

Parties, [reflecting their evolving circumstances] [in accordance with the principles and provision of the Convention] in order to promote [, facilitate] and enhance technology development and transfer [and facilitate the implementation of the [commitments under the] Convention], shall establish a framework for enhanced action on technology development and transfer [to be implemented by the [Technology Mechanism][institutional arrangements] [with the aim of facilitating access to technologies, addressing financing for the implementation, and [removal [or avoidance] of] barriers, and creating appropriate enabling environment].

## [Section H – Capacity-building]

### *Main observations:*

- Convergence among Parties became clear on the following points:
  - Capacity-building has to be reflected in the Agreement;
  - The need to enhance capacity, including in the interim period pending the entry into force of the Agreement;
  - The need to strengthen institutional arrangements.
- Parties had divergent views on the need to establish new institutional arrangements for capacity-building.
- While several Parties indicated their overall satisfaction with the Co-Chairs' Tool, a group of Parties noted a lack of balance in Part I of the Tool. To re-establish a balanced outline of Parties' positions with respect to the Agreement, they proposed that Article/paragraph 75 (new institutions) of Part III of the Co-Chairs' Tool be moved to Part I. This would address one of the main concerns expressed by that group of Parties, namely the establishment of an international capacity-building mechanism under the Agreement.
- The same group of Parties also proposed placing Article/paragraph 74 (objective, focus of capacity-building), currently of Part III of the Co-Chairs' Tool, in Part II.
- Some Parties had questioned whether Part I was the most appropriate place in which to include a paragraph on Article 6 of the Convention, while others supported its inclusion in this location.
- The Co-Facilitators proposed two informal meetings (spin-off groups). The first was tasked with working on milestones for capacity-building between 2016 and 2020, while the second discussed institutional arrangements. Key issues highlighted at these informal meetings included:
  - The need for concrete ideas or inputs on actions and needs that could help to determine objective, scope, features, modalities and milestones for the work programme;
  - The need to specify concrete actions and action areas for prompt implementation;
  - The linkage between institutional arrangements and the work programme;
  - That the issues relating to institutional arrangements need to be decided upon in order to ensure the prompt and effective delivery of the work programme;
  - Capacity-building for MRV and MRV of capacity-building;
  - Coherence and coordination in the delivery of capacity-building;
  - The need for a long-term and sustainable perspective on capacity-building;
  - That guiding principles should also address capacity-building needs stemming from decisions on workstream 2;
  - That the analysis of existing information and a review of existing arrangements could also help to formulate clearer ideas on what to do with the work programme;
  - That linkages between the capacity-building framework and institutional arrangements, including those with the Financial Mechanism and the Climate Technology Centre and Network, need to be further understood.
- As requested by Parties, the Co-Facilitators presented a text proposal with their understanding of the elements that were raised during the negotiations by Parties. The Co-Facilitators clarified that this text proposal does not capture elements that, however relevant, were not raised by Parties, nor it does necessarily reflect convergence on the issues raised.

### *Further observations and notes of the Co-Facilitators:*

- The Co-Facilitators noted repeated strong calls from Parties to continue negotiations on the basis of text. Textual negotiations will also help further clarify the conceptual issues.

- Institutional arrangements: With regard to institutional arrangements in the Agreement, the Co-Facilitators noted that the negotiations revealed the following options:
  - Option 1: The institutional arrangements established under the Convention shall enhance and intensify their work on capacity-building.
  - Option 2: An international capacity-building mechanism is hereby established.
- Regarding these two options, a group of Parties noted that existing institutional arrangements will continue to play an important role in the Agreement for the provision of capacity-building, and that the question therefore refers to the option of creating new institutional arrangements that will coexist with the existing institutions.
- Work programme: The Co-Facilitators also noted fruitful discussion on the work programme, which was attempted to be captured in the textual proposal prepared by the Co-Facilitators below. It was also noted that this text is an attempt to capture the status of progress in Parties' deliberations. The Co-Facilitators recognized that there are still open aspects that will have to be discussed further at the ADP session in October, where it is expected that Parties may also wish to exchange views on this at the workshop on capacity-building.<sup>24</sup>
- Parties raised a number of issues relating to the work programme including:
  - The need that capacity-building should be enhanced within and beyond the framework;
  - The need to take into account the outcome of the third comprehensive review of the capacity-building framework before the establishment of a work programme;
  - The need to take into account references to equity and the principles of common but differentiated responsibilities among Parties in the implementation of the work programme;
  - The need to consider evolving capacity-building needs for the implementation of all elements of the Agreement, including for the provision of finance and technology development and transfer;
  - The need to take into account relevant previous COP decisions in considering activities and modalities of the work programme;
  - Issues relating to a specific or continuous time frame for this work programme.
- Furthermore, the Co-Facilitators noted cross-linkages in other areas of the Co-Chairs' Tool, as follows:

Part II: draft Decision 1/CP.21

- [E. Adaptation and loss and damage]
  - i) Paragraph 22
- [F. Finance]
  - i) Paragraph 29, f. iv
- [G. Technology development and transfer]
  - i) Paragraph 37, a
- [I. Transparency of action and support]
  - i) Paragraph 52
- [J. Time frames and process related to commitments/contributions/Other matters related to implementation and ambition]
  - i) Paragraph 54, option (b)

<sup>24</sup> FCCC/SBI/2015/10, paragraphs 88 and 94.

## IV. [POSSIBLE ELEMENTS ON PRE-2020 AMBITION (WORKSTREAM 2)]

- [I. Transparency of action and support]
- i) Paragraph 86

*Textual proposal*

1. *Decides* to hereby establish an initial [x year] work programme on capacity-building (hereinafter referred to as the work programme) under the [body] to further enhance the implementation of the framework for capacity-building in developing countries, starting in [2016];
2. *Invites* Parties to assess their capacity-building needs for the implementation of all elements of the Agreement, taking into account a long-term perspective, and preferably by [date];
3. *Decides* that the work programme will address, inter alia, the following areas:
  - a. Gaps and needs, current and emerging, in the delivery of capacity-building, in particular at the national level and for the implementation of all elements of the Agreement;
  - b. Enhancement of coordination and coherence in the provision of capacity-building, including within existing institutional arrangements providing capacity-building;
4. *Requests* the [body]:
  - a. To consider and further elaborate at subsequent sessions potential additional activities and modalities of the work programme, taking into account the outcome of the 3<sup>rd</sup> review of the framework for capacity-building and the summary reports of the Durban Forum;
  - b. To consider at subsequent sessions the results of initial activities and to provide guidance, as appropriate, on further action;
  - c. To review and report on the work programme to the Conference of the Parties at its [xx] session.

## [Section I – Transparency of action and support]

*Observations and notes by the Co-Facilitators:*

### General

- The Co-Facilitators (CFs) stress that these observations are captured to reflect the deepening of understanding which has been achieved in these discussions. The CFs take responsibility for the commonalities captured herein, which have surfaced and can assist in future work. These observations are without prejudice to the negotiating positions of Parties.
- The CFs identified what they saw to be several areas of commonality in the views expressed by Parties in their general reactions to the Co-Chairs’ Tool at the first meeting of the facilitated group on 31 August 2015. These were presented to Parties at the second meeting of the facilitated group on 1 September 2015 as possible areas of focus when moving into text-based work. They included the following:
  - That some form of differentiation and/or flexibility would be required within the post-2020 transparency framework system in order to cater for the various levels of capacity and national circumstances;
  - Parties envisaged that the post-2020 transparency framework system would need to evolve, building on existing arrangements. Deeper discussion and understanding was needed in order to plan for this evolution and to adequately reflect this in the relevant parts of the text in the Paris Agreement and related decisions;
  - That it was necessary to see enhancement in support-related issues with two layers of activity: first, the measurement, reporting and verification (MRV) of action and the support needed to be enhanced; and second, support and capacity-building was needed for developing country Parties to participate effectively in such an enhanced transparency framework.
- It was also recognized that many concepts and issues within section I had not been sufficiently discussed and, hence, there was still lack of clarity of understanding. Parties would need time to discuss these issues before they could engage in negotiations in order to determine the treatment of these issues and concepts within the various parts of the Co-Chairs’ Tool. Some examples raised (non-exhaustive list) of such issues include: accountability of actions, accounting rules (including those regarding use of markets and contribution of the land sector) and what kind of transparency activities take place at the individual level and at the aggregate level. The CFs pledged to work with Parties to cover all the issues within section I without prejudice to their final placement in the text. They also took note of the views of Parties on cross linkages with text in other sections of the Co-Chairs’ Tool.
- At the third meeting of the facilitated group on 2 September 2015, Parties engaged in text-based work on one area suggested by the CFs. Specifically, Parties considered how the texts in Parts I–III of the Co-Chairs’ Tool can be improved to achieve greater clarity on the idea that “developing country Parties need support to participate effectively in the transparency framework”. Relevant provisions included:
  - Part I, Articles 27, 31–33;
  - Part II, paragraphs 49–53 and 86;
  - Part III, Article/paragraphs 82 and 83.
- Due to time constraints, Parties also worked in parallel in the form of informal meetings (“spin-off groups”) on the following two specific topics:
  - Accounting/accountability;
  - Differentiation/flexibility.
- Parties engaged in a rich substantive discussion with a view to separating the text proposals containing concepts on “support for MRV” from those on “MRV of support”. A few Parties also presented textual proposals. Parties did not work directly on these proposals, but their engagement on these concepts allowed for clearer perceptions on the areas of commonality and the concerns held whenever views differed.

Support for MRV

- The Agreement should recognize the fact that developing country Parties will continue to require support to effectively participate in the post-2020 transparency framework.
- Developing country Parties have different starting points in terms of their capacity to participate in the transparency framework, and the Paris Agreement would offer flexibility so as to accommodate these national circumstances, as well as to provide the platform to effect continuous improvement for all Parties.
- Enhanced MRV under the post-2020 transparency framework will require enhanced support in order to build capacities and overcome barriers to effective participation. At the same time, the enhancement of provision of support should be commensurate with the level/degree of enhancement of the MRV system.

MRV of support

- MRV of support is an area that will benefit from further enhancement as it is less mature compared to MRV of mitigation actions.
- Commonalities expressed on the MRV of support include:
  - The purpose, principles and scope of MRV of support should be anchored in the Agreement;
  - The purpose of the MRV of support would include, inter alia, enhancing transparency and tracking of progress on support provided and received; providing a full overview (to the extent possible) of climate finance under the Agreement; ensuring no double counting; building trust and ensuring accountability among Parties;
  - The key principles for MRV of support could include: ensuring transparency, accuracy, consistency, comparability and completeness, and no backsliding in the provision of support. Further, some Parties highlighted the principles of predictability and efficiency in the provision of support;
  - Possible scope of MRV of support could include finance, technology development and transfer, and capacity-building. Suggested further elements could be support received and impact of support received;
  - While the principles and scope for MRV of mitigation and support showed some symmetry, Parties recognized that it would be different for adaptation. In particular, that adaptation actions were still under negotiation and would have direct bearing on the corresponding work in section I.
  - MRV of support would evolve over time as capacity improves across the board;
  - The Agreement should capture the elements that are of durable nature, while detailed operational rules/methodologies/guidelines should be part of a work programme launched through a Decision.
- Parties hold different views on the placement of the transparency elements under this Agreement. Some Parties prefer this be treated as a package under the transparency framework where MRV of actions are juxtaposed with MRV of support. Others preferred a thematic approach where the transparency elements were integrated with the various actions required under the mitigation, adaptation and support sections, respectively.

Differentiation/flexibility

- Due to time constraints, Parties started working in parallel in the form of an informal meeting (spin-off group) on differentiation and flexibility. The report of the informal meeting was well received and appreciated by Parties.<sup>25</sup>

Accounting/accountability

- Due to time constraints, Parties started working in parallel in the form of an informal meeting (spin-off group) on accounting/accountability. The report of the informal meeting was well received and appreciated by Parties.<sup>26</sup>

<sup>25</sup> See < [http://unfccc.int/meetings/bonn\\_aug\\_2015/in-session/items/9169.php](http://unfccc.int/meetings/bonn_aug_2015/in-session/items/9169.php) >.

<sup>26</sup> See < [http://unfccc.int/meetings/bonn\\_aug\\_2015/in-session/items/9169.php](http://unfccc.int/meetings/bonn_aug_2015/in-session/items/9169.php) >.

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[Section J – Time frames and process related to commitments/ contributions/ Other matters related to implementation and ambition]

*Observations and notes by the Co-Facilitators:*

- Following the discussions in the facilitated groups on procedural and institutional provisions and on time frames, Parties agreed to discuss issues related to the housing of commitments/contributions in an informal meeting (spin-off group) facilitated by Dr. Christina Voigt (Norway) and Dr. Dean Bialek (Marshall Islands), which was held on 3 September.
- The Co-Facilitators of the informal meeting reported back to the group on time frames, noting that the informal meeting had discussed the legal, political and practical implications of the various options for housing of commitments/contributions. These could include an annex or annexes, an online or public registry, and a compilation of national schedules. It was noted that there might be a need for different modes or formats for communicating commitments/contributions and for finalising or inscribing them under the Agreement. Concerns were expressed that overly complicated templates or tables may pose difficulties for some, but should provide an opportunity for Parties to communicate the full range of relevant information.
- The Co-Facilitator presented a further elaboration of his list of elements, which he had shared with the group yesterday. This presentation led to a good discussion that helped to further clarify Parties' understanding of the issue. Parties acknowledged the need for a collective moment to take stock. Many Parties also noted that different issues had their own particularities.
- The Co-Facilitator stated that he would undertake a further revision of his list in an effort to reflect in it, under his responsibility, the comments made this morning.<sup>27</sup> He encouraged Parties to continue to discuss this issue among themselves in the intersessional period.

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<sup>27</sup> See [http://unfccc.int/meetings/bonn\\_aug\\_2015/in-session/items/9170.php](http://unfccc.int/meetings/bonn_aug_2015/in-session/items/9170.php)

## [Section K - Facilitating implementation and compliance]

### Establishment clause and related elements

#### *Main observations:*

- Many Parties reiterated the importance of including provisions on the establishment of arrangements for implementation and compliance in the draft Agreement.
- Several Parties identified other elements that, in their view, should accompany the establishment clause, including the nature and purpose of arrangements for implementation and compliance.
- Other Parties were of the view that enhancing the current processes, including in particular, those related to reporting and review would fulfill the function of facilitating implementation and compliance.
- In considering what an establishment clause in the draft Agreement might contain, some Parties acknowledged the usefulness of drawing on lessons learned from the compliance mechanism under the Kyoto Protocol and the multilateral consultative process under Article 13 of the Convention (MCP), while some Parties referred to the negotiation of similar arrangements under other multilateral environmental agreements.
- Parties emphasized the importance of arrangements for facilitating implementation and compliance that are appropriate to the nature of the Agreement and the commitments/contributions/actions to be defined in the Agreement.

### Facilitative nature and purpose of the compliance mechanism

#### *Main observations:*

- Several Parties spoke on the role that arrangements for facilitating implementation and compliance can play in building confidence among Parties to the Agreement by enhancing transparency and accountability.
- There was a general acknowledgment that arrangements for implementation and compliance should be facilitative in nature.
- Several Parties noted the usefulness of the MCP as a starting point for considering arrangements under the draft Agreement. A number of Parties expressed willingness to explore this option while some Parties preferred to take a broader approach that was not limited to one example.
- Some Parties were of the view that in addition to a facilitative function an additional function is needed to ensure implementation such as through a tribunal.
- Parties provided examples of a range of facilitative measures such as those related to capacity building and ensuring that Parties are capable of meeting their obligations. Views were also expressed with regard to functions that would promote compliance and accountability.

### Transparency and compliance

#### *Main observations:*

- The link between facilitating implementation and compliance and enhancing transparency was noted.

### Differentiation and compliance

#### *Main observations:*

- Some Parties were of the view that differentiation would arise from differences in the substantive contributions and does not need to be referred to in provisions relating to a compliance mechanism. Other Parties were of the view that differentiation should be reflected in the provisions of a compliance mechanism, including through its scope and structure, namely through facilitative and enforcement branches.



*Further observations and notes of the Co-Facilitators:*

- Due to the lack of time, Parties began but did not complete their exchange of views on differentiation, enhanced transparency and the facilitative nature of a compliance mechanism.

Work programme*Main observations:*

- Several Parties were of the view that arrangements should be ready as part of the Paris package in order for their national stakeholders to fully understand the legal nature of the Agreement. Some noted that the operational details of a compliance mechanism can be elaborated after the Paris Conference but would need to be developed before the first session of the governing body. Some Parties expressed the need for clarity on the details by Paris.
- Some Parties indicated that, due to the concise nature of some of the options reflected in the Geneva Negotiating Text, these could be used in their entirety as options for clauses in the draft Agreement.
- Some Parties recalled that the six elements contained in paragraph 5 of the Durban Mandate (decision 1/CP.17) do not include compliance.
- Parties acknowledged the usefulness of further informal conversations on this matter in preparing for discussions at the October session of the ADP.

## [Section L – Procedural and institutional provisions]

Parties agreed to engage on the questions prepared by the Co-Facilitators and posted on the UNFCCC website on 31 August 2015,<sup>28</sup> as well as other questions posed by the Co-Facilitators during the meeting.

### Articles 43–45, Part I of the Co-Chairs’ Tool:<sup>29</sup>

#### *Main observation:*

- Parties generally agreed that paragraphs 43–45 serve as a sufficient basis for the Agreement, as many of the provisions are standard in other international agreements.
- A number of Parties indicated that language of paragraph 43-45 can build on the language of the Kyoto Protocol, and some Parties requested to identify what language in the Kyoto Protocol can be used for further clarity such the provision of Article 13 of Kyoto Protocol, *mutatis mutandis*.

#### *Specific observations:*

- Parties generally agreed that the Conference of the Parties, the supreme body of the Convention, shall serve as the meeting of the Parties to the Agreement, with Parties to the Convention that are not Parties to the Agreement participating as observers and not taking part in decision-making concerning the Agreement (drawing on the CMP model of Article 13 of the Kyoto Protocol). Parties were of the view that the term “governing body” could be changed throughout the text to reflect this approach.
- Parties indicated that further consideration is required with respect to the rules of procedure of the governing body, the application of the financial procedures under the Convention, and additional functions of the governing body.
- A Party made specific proposal to add the provision: “The first session of the Conference of the Parties serving as the meeting of the Parties to this Agreement shall be convened by the secretariat in conjunction with the first session of the Conference of the Parties that is scheduled after the date of the entry into force of the Agreement”.

### Article 46, Part I of the Co-Chairs’ Tool:

#### *Main observation:*

- Parties were generally of the view that it would be useful for existing institutions under the Convention to support the Agreement but that this Article may require further consideration.

#### *Specific observations:*

- Some Parties felt that this blanket provision was too broad and not usually found in international agreements (as reflected in footnote 35 to this provision), and suggested that institutions that would serve the Agreement be identified on a case-by-case basis. It was further noted that the current institutions were developed in a specific context with specific mandates that may not be relevant for the Agreement. Some Parties were also concerned to avoid misinterpretations with respect to the use of Kyoto Protocol institutions over which the COP does not have authority to decide upon;
- Some Parties felt that this provision allows for the implementation of the Agreement to benefit from the experience and expertise of the Convention institutions and noted that this is linked to the objective of the Agreement (section C). Some Parties also noted that this enabling provision was required so that the Convention institutions may serve the Agreement, in particular those institutions relevant for means of implementation. Some Parties also suggested that the provision could be revised so that only bodies and institutional arrangements necessary for the implementation of the Agreement serve it. It was also noted that “mechanisms” are not institutional arrangements and would therefore not be included.

<sup>28</sup> <[http://unfccc.int/meetings/bonn\\_aug\\_2015/in-session/items/9167.php](http://unfccc.int/meetings/bonn_aug_2015/in-session/items/9167.php)>.

<sup>29</sup> Numbering of provisions reflects the numbering in the Co-Chairs’ Tool of 24 July (ADP.2015.4.Informal Note, annex II, available at <<http://unfccc.int/6911.php?preref=600008595>>).

Article 47, Part I of the Co-Chairs' Tool:*Main observation:*

- Parties were of the view that the issue of immunity could be justifiable but needs to be addressed on a case-by-case basis, and they raised concerns about whether it should be addressed in the Agreement.

*Specific observations:*

- Many Parties were of the view that this provision should not be retained. It was noted that the provision raises constitutional concerns for some Parties. Some Parties questioned the need for this provision.
- One Party, speaking on behalf of the group of Parties that proposed this provision, noted that it will convey the comments of the facilitated group to its group and report back at the next meeting of the facilitated group.

Article 48.3, Part I of the Co-Chairs' Tool:*Main observation:*

- Parties noted that this matter was closely linked to the discussions on commitments/contributions/actions in other sections, particularly sections C, D and J. Some Parties were concerned about the lack of clarity on the appropriate forum for discussing the matter of 'housing' of commitments/contributions/actions.

*Specific observations:*

- Some Parties emphasized that the option of "no further requirements" should be kept on the table, as they are of the view that there is no need for this provision in view of the basic obligations of Parties in the Agreement, in addition to awaiting the results of discussions on other sections. Others emphasized that it is important that Parties submit their INDCs at the time of ratification, thus clarifying their commitments under the Agreement.
- Regarding the specific context of this section, several Parties shared their ideas of how they envision the INDCs will be housed in the Agreement and what that would mean for the options for this provision. The issue of housing of commitments/contributions/actions generated a long discussion with diverging views about whether they should be legally binding.
- Some Parties noted that the concept of "national schedules" was new and unclear, and that it was too late for it to be properly discussed in the negotiations.
- Some Parties expressed the view that if any commitments/contributions/actions were to be agreed as additional requirements to become Party to the Agreement, such commitments/contributions/actions would have to be related to the corresponding elements of the Durban mandate such as adaptation.
- There was a general understanding that the next step could include a joint spin-off meeting between respective sections, as proposed by the Co-Facilitators, where Parties could discuss the substantive issues as well as the topics related to the context of individual sections.

Article 49.1, Part I of the Co-Chairs' Tool:*Main observation:*

- There was common understanding that broad and meaningful participation in the Agreement should be ensured.
- Parties were generally of the view that a double threshold for the entry into force would be the preferred option, but questions remains as to how this double threshold should be defined.
- Parties felt that further consideration of this issue would need to take into account the outcome of the discussions on other sections of the Co-Chairs' Tool.

*Specific observations:*

- With respect to the double threshold, some Parties voiced support for a cumulative double threshold (number of Parties and a percentage or gigatonnes of global greenhouse gas emissions), some Parties for an

alternative threshold (number of Parties or percentage of greenhouse gas emissions), and some Parties for Article 49.1 option 5, which includes a specific requirement for Annex I Parties.

- Parties recognized that the source of the greenhouse gas emission data needs further consideration.
- Some Parties felt that the reference to a specific date (i.e. not before 2020) was to reflect the Durban mandate, and was intended to avoid an overlap with the second commitment period of the Kyoto Protocol and the start of the 2015 Agreement.
- Parties also noted that the use of the term “coming into effect” was intended to reflect the option of adoption by the COP of decisions as the agreed outcome of the work of the ADP, but that this term may no longer be relevant in view of the Co-Chairs’ Tool.

#### Article 49.4, Part I of the Co-Chairs’ Tool:

##### *Main observation:*

- All Parties were of the view that this provision is not required in the Agreement since this issue is addressed by the Vienna Convention on the Law of Treaties, which would apply to the Agreement.

##### *Specific observation:*

- Some Parties noted that this issue could be addressed in a COP decision, while other Parties questioned the necessity of its inclusion in the Agreement.

#### Article 50, Part I of the Co-Chairs’ Tool:

##### *Main observation:*

- A number of Parties were of the view that this provision should be deleted (in view of the durable character of the Agreement, the fact that the start date is covered by the entry into force provision and that Parties may terminate the Agreement).
- Other Parties expressed the view that this provision should be retained at this moment because an end date may be required depending on the final content of the Agreement, and a start date may be required in order to avoid a gap between the second commitment period of the Kyoto Protocol and the start of the Agreement.

#### Article 51, Part I of the Co-Chairs’ Tool:

##### *Main observation:*

- There was a general understanding by Parties that this provision was sufficient basis for the Agreement.

#### Article 52, Part I of the Co-Chairs’ Tool:

##### *Main observation:*

- Parties felt that further consideration of this issue would need to take into account the outcome of the discussions on commitments/contributions/actions and decisions on other sections of the Co-Chairs’ Tool.

#### Article 53, Part I of the Co-Chairs’ Tool:

##### *Main observation:*

- There was a general understanding that this provision was a sufficient basis for the Agreement.

#### Article 54, Part I of the Co-Chairs’ Tool:

##### *Specific observation:*

- There was a common understanding among Parties that Article 54.1 should be retained as sufficient basis for the Agreement as this is a standard provision in international agreements.
- Some Parties were of the view that Article 54.2 should be deleted as it is unlikely that Parties will reach agreement on this matter in time for the adoption of the Agreement, and that this issue could be addressed by the governing body.

- Other Parties were of the view that this issue should be covered by the Agreement in order to avoid lengthy discussions by the governing body on this matter.

Article 55, Part I of the Co-Chairs' Tool:

*Specific observations:*

- Some Parties were of the view that conditioning participation in decision-making on a mitigation commitment would create an incentive for Parties to have a mitigation commitment and to maintain it.
- Other Parties expressed concerns about this requirement as they felt that any obligation should include all elements (e.g. adaptation) and not be mitigation-centric, or it could be seen as a disincentive to ratify the Agreement).
- Some Parties acknowledged that the wording of this Article could be revised (one proposal was made to refer to INDCs instead of “mitigation commitments”). There was also a proposal to change the provision to the following: “Annex I Parties should have mitigation and finance commitments in order to participate in decision-making under this Agreement”.

Article 56, Part I of the Co-Chairs' Tool:

*Main observation:*

- Some Parties indicated that there is a lack of clarity on the meaning of the term “country contribution documents”.
- After the Head of the Treaty Section of the United Nations Office of Legal Affairs clarified that the proposal for the Depository to hold and manage a repository of country contribution documents was not a Depository function but is usually dealt with by the substantive secretariat of the treaty concerned, the proponent of this requirement indicated that the proposal would be withdrawn.

Article 57, Part I of the Co-Chairs' Tool:

*Main observation:*

- Several Parties supported the ‘no reservation’ clause.

Article 58, Part I of the Co-Chairs' Tool:

*Main observation:*

- Some Parties supported the idea that Parties having discharged their current mitigation commitment should be a condition for withdrawing from the Agreement, while other Parties supported a standard withdrawal provision found in international agreements.

Article 59, Part I of the Co-Chairs' Tool:

*Main observation:*

- There was a general understanding that this provision was sufficient basis for the Agreement.