

Environmental Integrity Group (EIG), comprising Liechtenstein, Mexico, Monaco, the Republic of Korea, and Switzerland

## **EIG's views on the elements of the 2015 Agreement**

### ADP 2.5, workstream 1

The EIG is pleased to submit its views on concrete elements of the 2015 Agreement.

#### **1. General remarks**

Outcome in Paris (COP21), guided by the principles of the Convention (i.e. on the basis of equity and in accordance with common but differentiated responsibilities and respective capabilities), is to include a *legally binding instrument (LBI)* containing enduring elements of the 2015 Agreement, COP decisions containing dynamic and technical elements, and the nationally determined contributions (n.d.c.) for the period from 2020. To this aim, it is important to deliver by Lima (COP20) elements of draft text of the LBI, agree on the information facilitating clarity, transparency and understanding to be presented alongside the intended nationally determined contributions (i.n.d.c.; well before COP21 and in the first quarter of 2015 for those ready to do so), lay the basis for the rules based system applicable to all Parties, and achieve common understanding on the international process from presentation of the i.n.d.c. to their anchoring under the 2015 Agreement.

#### **2. EIG's views in the area of mitigation**

##### **a) Information to be presented facilitating clarity, transparency and understanding of the i.n.d.c.**

The list of the information that Parties will provide when putting forward their mitigation contributions for the 2015 agreement should be defined and agreed as soon as possible, at COP20 at the latest.

To enhance clarity and understanding of the mitigation contributions submitted by each Party, the following elements, inter alia, need to be included in the list of information regardless of the mitigation type:

- Type of mitigation contribution;
- Contribution period;
- Reference (base year or end-period as appropriate);
- Coverage of GHGs and sectors (if deviating from IPCC guidance);
- Accounting approaches used in the land sector and in regard to any internationally transferable units (from market and/or non-market mechanisms, if used);
- Quantified or quantifiable expected overall emission reductions and levels within the period and expected emissions or removals thereof through the land sector;
- Major underlying assumptions applied to the mitigation contributions including any relevant information used for defining the reference; and
- Any other relevant information

As for the above-mentioned “any other relevant information”, additional information could be provided depending on the type of mitigation contribution. For example, BAU target needs expected BAU emissions with the start year and GDP related target needs GDP projections. Therefore, once Parties define the level of the mitigation contribution that they intend to pursue under the 2015 agreement, then, they draw up basic ex-ante information together with additional tailor-made information.

**b) Rules based system applicable to all Parties**

A robust rules based system applicable to all Parties is of utmost importance for transparency, comparability and as driver of global ambition. To these aims, the 2015 Agreement must be based on one common set of rules for all Parties but at different depths in terms of type, stringency, and timing among other according to CBDR/RC and equity.

The following elements are crucial to a rules based system under the 2015 Agreement:

Core characteristics of contributions: the n.d.c. of all Parties are to be quantifiable, are to have the same end year, and their implementation is to be guaranteed by concrete and effective domestic laws, policies and measures.

Accounting rules applicable to all Parties: all Parties shall use in accounting emissions and removals towards their n.d.c. an agreed common set of metrics and methodologies and a common accounting framework for the land sector has to be built. Building on the experiences and approaches taken by Parties to date, the following common key rules need to be set for the post-2020 contributions:

- common principles for the land sector: comprehensive land sector approach to reporting and accounting for all lands, based on IPCC guidance, moving when capacity permits to 2006 guidelines, exploring quality standards and striving for comparability, constant improvement of methods, data collection and analysis including by moving higher from IPCC tier 1, transparency and thorough review processes, capacity building and support;
- core guidance on setting mitigation types such as “business as usual” (BAU) target, intensity target, etc.
- all sectors and gases with significant impact on the atmosphere (as agreed) are to be reflected in the contributions, including the categories of the land sector such as forests and agriculture;
- differentiated MRV requirements for different type of mitigation commitments or actions and for different capabilities of Parties

The 2015 Agreement further is to include provisions to improve accounting rules over time

Reporting rules applicable to all Parties: all Parties shall use for reporting their emissions and removals the same agreed set of guidelines. Respective UNFCCC guidelines are to be developed by 2020.

Review of implementation: all Parties shall participate in a verification process and compliance regime

Respective UNFCCC guidelines are to be developed by 2020.

**c) International process from presentation of i.n.d.c. to their anchoring under the 2015 Agreement**

EIG countries are strongly committed and in the process of preparing their intended nationally determined contributions (i.n.d.c.) post-2020. It is crucial to reach common understanding by the end of the year (Lima, COP20) on the international process in 2015 upon presentation of these i.n.d.c. The EIG sees three main issues where an international process 2015 is necessary:

- i) understanding of the intended global level of ambition is to be achieved in view of the 2 degrees goal
- ii) understanding of the efforts underlying Parties' i.n.d.c. is to be facilitated. Further, the opportunity is to be given to Parties to share their considerations on equity, fairness and CBDR/RC regarding their i.n.d.c. in view of the 2 degrees goal. Facilitation of such information and exchange between Parties is an important element for national determination of climate action and, thus, an important long term driver for ambition.
- iii) catalyze mitigation action to close any ambition gap in view of the 2 degrees goal

To these aims, the international process upon presentation of the i.n.d.c. in 2015 has to have light arrangements and be open for participation of civil society and other stakeholders.

**3 EIG's views in the area of adaptation**

Adaptation must be a major component of the 2015 Agreement and it should be addressed with the same level of priority as and, whenever possible, in synergy with mitigation. Adaptation will require significant changes to practices, processes and structures all over the world, thus we should seize the unique opportunity to translate the Convention's provisions on adaptation into specific actions in the 2015 Agreement.

Particularly, the 2015 Agreement should incorporate the following aspects related to adaptation:

- All Parties must develop and implement adaptation plans and strategies and ensure that adaptation is mainstreamed as part of the development planning processes occurring at national level and in coordination with local governments, as appropriate, in order to build resilience and minimize and cope with the adverse effects of climate change.
- All Parties should cooperate in adaptation efforts to develop capacities, share knowledge and best practices and experience;
- All Parties in a position to do so should provide financial and technical support, as well as knowledge exchange to those Parties most in need of such support and vulnerable to the adverse effects of climate change, in order to, inter alia:

- Develop and strengthen local and social capabilities to address adaptation;
  - Foster development of methods and tools to evaluate impacts of, and vulnerability of people and ecosystems and progress in adaptation to climate change;
  - Pursue the establishment and well-functioning of adaptation knowledge platforms and networks at all levels;
  - Strive for a results-oriented approach facilitated by the monitoring and evaluation of adaptation outcomes;
  - Aim at incorporating an approach of sustainable management of ecosystems in adaptation planning;
  - Foster comprehensive risk management, including risk awareness and risk transfer solutions;
  - Establish, and where available, strengthen focused response mechanisms to extreme events.
- The Adaptation component of the 2015 Agreement needs to build upon and effectively articulate existing arrangements for adaptation under the UNFCCC, including for the effective implementation of the Cancun Adaptation framework, the continuation and downscaling at regional, national and local levels of the Nairobi Work Programme on Impacts, Vulnerability and Adaptation to Climate Change, as well as the continuance of the Adaptation Fund and its effective integration to the financing sphere of the Agreement along with the Green Climate Fund-

Moreover, adaptation can only be successfully accomplished by involving those mostly impacted by climate change, therefore it is essential to engage stakeholders and local governments in adaptation planning and implementation, including communities and ensure a gender perspective. While this is a cross-cutting issue applicable to the rest of the elements of the 2015 Agreement, the EIG supports the involvement of local and non-State actors and a gender perspective in adaptation.

#### **4 EIG's views in the area of means of implementation (finance, technology transfer and development, capacity building)**

The 2015 agreement will include an independent chapter for means of implementation. The structure of the MOI chapter will be comprised of two parts:

- a general and overarching part on means of implementation
- the second part will be more detailed provisions on the three pillars of means of implementation: climate finance, technology and capacity building

## **General elements on Means of Implementation**

### **a) Commitments on means of implementation**

The means of implementation (MOI)- finance, technology development and transfer and capacity building - should be an integral part of the 2015 agreement.

The means of implementation (MOI) - finance, technology development and transfer and capacity building - should be an integral part of the 2015 agreement. All developed country Parties and other Parties in a position to do, in accordance with CBDR/RC, are invited to provide enhanced, effective and transparent support for country-driven mitigation and adaptation actions in countries which need such support.

The 2015 agreement will also include commitments of all Parties to play their parts in developing and improving enabling environments for the enhanced delivery of MOI

### **b) Clear Vision on the Provision of MOI**

The 2015 Agreement will include a clear vision on provision of means of implementation. The provision of MOI should be scaled-up, adequate and predictable to effectively support developing countries which need such support in their transition to low-carbon economy and climate resilient society, in particular to assure effective assistance on their enhanced action on mitigation and adaptation. To this end, EIG suggests several principles of means of implementation such as;

- Non-regressive effort for support of means of implementation through strengthening the existing operating entities of the financial mechanism of the Convention for sustainable delivery of the support
- Enhanced predictability in support: Predictability in provision of support is to be a priority in means of implementation. Parties should strive to make clear and predictable projections for the long-term or mid-term resources to be used for supporting enhanced mitigation and adaptation efforts in the developing countries Capacity building for preparatory and readiness program could be prioritized in this context.
- Enhanced country ownership of recipient countries: Each country should have an ownership and leading role to develop their own strategies and attract resources by the adoption of appropriate policies and measures

### **c) Integrated and Coordinated provision of Means of Implementation**

The 2015 agreement should approach the means of implementation in an integrated and coordinated manner. There are institutions and arrangements for finance, technology transfer and capacity building inside and outside UNFCCC, but better coordination among institutions is needed.

For example, in the area of supporting transition of developing countries into the low-carbon and climate resilient economy, strong coordination and consultations are required among international organizations and institutions.

#### **d) Transparency on Means of Implementation**

The 2015 Agreement should have the transparency system for support. We have learned from Fast Start Finance that without common understanding of flow of finance and other support, it could not contribute for trust building.

Taking into consideration that a clear definition of climate finance and a clear guideline on effectiveness of MOI and general tracking system of MOI have not been agreed yet, the 2015 agreement will mandate the COP to ensure a transparency system of support, reflecting progress made in Standing Committee for Finance and other international fora such as OECD and MDBs by imbedding an MRV system of MOI and receipt and use of MOI throughout their entire cycle.

The 2015 agreement also needs to include provisions, common to all parties but differentiated in terms of its depth, with regard to regular reporting on Parties' provision, receipt and use of resources for climate action. The 2015 agreement is further to mandate the COP to adopt a guidance for international review on those reports submitted by all Parties.

#### **e) Consideration on special needs**

Developing countries who need support and who are particularly vulnerable to the adverse effects of climate change should be given consideration under the 2015 agreement.

### **Specific Elements for each pillar of Means of Implementation**

#### **a) Finance**

##### **(Financial Mechanism)**

The 2015 Agreement should have provisions for the financial mechanism of the Convention to serve as the financial mechanism of the 2015 Agreement, including Green Climate Fund (GCF). For sustainable mobilization of finance, it is necessary to ensure a well-functioning and coordinated financial mechanism. In this regard, the role of the Standing Committee on Finance in advising the COP regarding coherence and coordination among various financial institutions needs to be further strengthened.

The GCF should deliver climate finance in post-2020 climate regime as a main operating entity of the financial mechanism of the 2015 Agreement and ensure effective, transparent, need-based and country-owned delivery of financial support including through mobilizing private sector finance and investments on a sufficient scale.

##### **(Public and Private Sources of Finance)**

The private sector will play a critical role for the scaled-up and additional provision of climate finance after 2020. Therefore, the 2015 Agreement should facilitate the leveraging of private finance by using public

support through existing and emerging institutions and arrangements inside and outside the UNFCCC. However, still the public finance should remain a primary source for specific areas given limited potential for private investment in particular in the most vulnerable and least developed countries.

**b) Technology Development and Transfer**

The 2015 Agreement should include provisions regarding Parties' enhanced cooperation in order to promote the development, deployment, diffusion and transfer of technology.

Institutional arrangements on technology are needed in order to facilitate technology development and transfer to developing country Parties.

In this regard, the 2015 agreement should build on the Technology Executive Committee (TEC) and Climate Technology Centre Network (CTCN) and the currently gained experience through its operationalization to foster Parties' ambitious actions on mitigation and adaptation.

**c) Capacity Building**

Capacity building is an important pillar of means of implementation for mitigation and adaptation. Also capacity building is a core basis for effective use of finance and technology.

The operating entities of the financial mechanism play an important role in funding capacity building through their funding of climate relevant projects with integrated capacity building components in developing countries, in particular, the most vulnerable countries. Therefore, the 2015 agreement should recognize the importance of the operating entities of the financial mechanism, including the GCF, for capacity building.