

## **Summary of the round tables under workstream 1 on the 2015 agreement ADP 2, part 1 Bonn, Germany, 29 April–3 May 2013**

**Note by the Co-Chairs**

*21 May 2013*

### **I. Introduction**

1. At the first part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), held in Bonn, Germany from 29 April to 3 May 2013, the ADP convened workshops and continued its round-table discussions on workstream 1 addressing matters related to paragraphs 2–6 of decision 1/CP.17 (the 2015 agreement) and on workstream 2 on matters related to paragraphs 7–8 of the same decision (pre-2020 ambition).<sup>1</sup>
2. One workshop and six round tables were convened under workstream 1. The objective of the workshop and round tables was to address specific aspects raised by Parties during previous round tables and in their submissions made in response to the decisions and conclusions of the ADP. In particular, the round tables aimed to provide Parties with an opportunity to advance and refine issues with respect to the scope, structure and design of the 2015 agreement and the specific subject areas of adaptation, mitigation, means of implementation (finance, technology development and transfer and capacity-building), and transparency of action and support. The discussions were opened by a round table to set the scene and identify the main contours and central elements of the 2015 agreement and concluded with a round table at the end of the week to summarise the discussions.
3. In response to the conclusions of the ADP agreed in Doha, Qatar, we set out focused questions in our informal note on the second session of the ADP<sup>2</sup> to guide and facilitate the workshop and round-table discussions.
4. This note summarizes the round-table discussions under workstream 1 held during the first part of the second session of the ADP, which were convened on 30 April and on 1, 2 and 3 May, respectively.<sup>3</sup>

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<sup>1</sup> Round-table discussions were also convened at the informal additional session held in Bangkok, Thailand from 30 August to 5 September and at the second part of the first session of the ADP held in Doha, Qatar from 26 November to 7 December. The summaries can be found, respectively, at <http://unfccc.int/resource/docs/2012/adp1/eng/2infsum.pdf> > and <http://unfccc.int/resource/docs/2012/adp1/eng/6infsum.pdf> > for workstream 1; and <http://unfccc.int/resource/docs/2012/adp1/eng/3infnot.pdf>> and <http://unfccc.int/resource/docs/2012/adp1/eng/7infsum.pdf>> for workstream 2.

<sup>2</sup> <http://unfccc.int/resource/docs/2013/adp2/eng/1infnot.pdf>> (see annex, part I).

<sup>3</sup> A summary of the round tables under workstream 2 is contained in document ADP.2013.6.InformalSummary available at: <http://unfccc.int/7387>>.

## II. Setting the scene

5. At the first round table, we invited Parties to focus on the following question: “What do you see as the main contours and central elements of the 2015 agreement?” This led to a rich and productive discussion, in which we could see initial points of convergence emerging. Many Parties suggested concrete proposals for the contours and elements of the 2015 agreement, addressing aspects such as the application of the principles of the Convention, the scope of the 2015 agreement, the need for broad participation, national and international action, including different types of commitments underpinned by international rules, support for enhanced action, transparency and accountability, and building on existing arrangements.

6. There was a common understanding among Parties that, as the 2015 agreement will be under the Convention, the principles of the Convention will apply to it. Some Parties stressed that the Convention and decisions 1/CP.17 and 2/CP.18 set the scene for the 2015 agreement. It was stated that the principles of the Convention do not need to be further elaborated or reinterpreted in the 2015 agreement.

7. Many Parties also reiterated that the legitimate priorities for developing countries were the right to sustainable development and poverty eradication and that the 2015 agreement should promote sustainable development in pursuit of the ultimate objective of the Convention. In this context it was stated that the importance of the right to development and of preserving life in harmony with nature needs to be recognized, and it was highlighted that actions and policies should be defined and applied in a manner so as not to cause negative environmental impacts.

8. In terms of coverage, some Parties were of the view that core value could be added to the 2015 agreement through the inclusion of an ambitious and durable mitigation framework applicable to all Parties. However, it was recognised that adaptation is an integral part of the 2015 agreement, with Parties noting that mitigation and adaptation were closely linked and needed to be seen in balance. In effect, they were ‘two sides of the same coin’. Parties also stressed that both enhanced mitigation and adaptation action should be enabled by finance, technology development and transfer and capacity-building and that these means of implementation must also be covered by the 2015 agreement. A proposal was also made to include institutional approaches to address loss and damage in the 2015 agreement.

9. It was generally understood that all Parties should contribute to and cooperate under the 2015 agreement, taking into account national circumstances and guided by the principles of the Convention to achieve its ultimate objective.

10. While recognising that action from all Parties was required, it was clearly stated that the actions must be differentiated. Some Parties made suggestions on how differentiation could occur, for example, through a menu of options or spectrum of commitments, encompassing a variety of enhanced actions and different types of commitments, noting that it might be fruitful to focus on this issue in at the second part of the second session of the ADP to be held in Bonn, Germany from 3 to 14 June 2013.

11. It was generally acknowledged that the 2015 agreement should attract broad participation. To that end, many Parties spoke of the importance of allowing Parties to determine their own actions in accordance with their national circumstances, with some recognising that this was an incentive in itself. In this regard there was a discussion about how the 2015 agreement could bring together top-down and bottom-up elements.

12. Some Parties stressed that the 2015 agreement should not allow for weak, self-defined targets, with some Parties suggesting that there should be a top-down determination of such targets. Some Parties were of the view that a top-down determination of actions should apply to Parties included in Annex I to the Convention, while bottom-up self-defined actions should apply to Parties not included in Annex I. Other Parties stressed the need for Parties generally to determine their own national actions, and that such “nationally determined actions” had the best prospect of being effectively implemented by Parties. There was a recognition of the need for international rules to provide a framework for action in order to, inter alia, ensure that the sum of nationally determined actions meets the requirements of science and equity and can be ratcheted up over time. This was referred to as having “clear ground rules” or a “basic set of common rules”. Some Parties referred to the need to apply an equity reference framework as a guide to underpin the differentiation of commitments and ambition in the 2015 agreement. It was also suggested that there may be need for a “safety valve” in recognition that one set of rules may not always work for a particular Party.

13. In considering all these approaches, Parties were keen to ensure ambitious action. In this regard, it was noted that securing ambition is not a “one off” exercise but rather an on-going process. Many Parties noted the need for transparency and accountability in relation to all actions, including finance, technology development and transfer and capacity building support. In this regard, there were a number of suggestions for a process or processes to:

- a) Define the different types of commitments from which Parties can select, being guided by international rules,
- b) Consider, at a global level, the commitments selected by Parties to ensure they meet the demands of science and equity,
- c) Review those commitments regularly to increase ambition over time, including through peer review.

14. However, it was noted that the establishment of a process or processes alone does not necessarily ensure ambition. A process must have a built in political will and sufficient rigour, both before Parties select their commitments and in any subsequent processes in order to secure ambition.

15. Many Parties also spoke of the need for a strong measurement, reporting and verification (MRV) framework, as well as a robust compliance system to hold Parties accountable.

16. The need for effective implementation of both existing and new commitments was stressed. It was noted that failure to implement existing commitments, in particular under the Kyoto Protocol, and any delay in the entry into force of the Doha amendment to the Kyoto Protocol<sup>4</sup>, could impact on the work of the ADP. In this regard, some Parties noted an implementation gap and called for developed country Parties to take the lead by fully implementing existing commitments in light of their historical responsibility.

17. It was understood that the 2015 agreement should build on the existing work of the Convention and draw upon the existing processes and institutions, especially those established as part of the agreed outcome under the Bali Action Plan.<sup>5</sup> Therefore, the 2015 agreement would need to ensure appropriate linkages with existing arrangements. This would avoid ‘reinventing the wheel’ and duplicating work. It was noted that there was also a need to

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<sup>4</sup> Decision 1/CMP.8

<sup>5</sup> Including decisions 1/CP.16, 2/CP.17 and 1/CP.18.

achieve coherence with existing bodies and processes and that these bodies and processes may need to be strengthened, as appropriate.

18. Finally, Parties discussed a number of aspects regarding the form and structure of the 2015 agreement. Many Parties called for a legally binding instrument under the Convention; while others preferred to keep this issue open until the substance of the agreement was clearer. A number of Parties also noted that the commitments should have the same legal character or the same degree of bindingness. It was also noted that there could be a concise agreement, with core elements that endure and supplementary elements that could change over time. There was some discussion about how to capture commitments in the 2015 agreement.<sup>6</sup>

### **III. Adaptation**

19. The main issues that Parties discussed in the second round table included the need for balance and coherence between adaptation and mitigation under the 2015 agreement, support and means of implementation for adaptation, as well as monitoring and evaluation of adaptation action and MRV of its support.

20. Parties shared the understanding that adaptation should be an integral part of the 2015 agreement and that mitigation and adaptation should be addressed in a balanced manner. Many Parties pointed out that greater efforts in relation to mitigation would decrease the effort required for adaptation, while insufficient mitigation would increase the need for adaptation, noting also that there were limits to the adaptive capacities of nature and societies. Several Parties expressed concern regarding the existing institutional disconnect between mitigation and adaptation and called for a coherent approach to both in order to achieve climate-resilient development

21. Parties converged on the idea that the 2015 agreement should build on existing institutions for adaptation, in particular those established under the Cancún Adaptation Framework,<sup>7</sup> including the Adaptation Committee, the national adaptation plan process and the work programme on loss and damage, as well as the adaptation window under the Green Climate Fund. Some Parties stated the need to continuously strengthen these arrangements.

22. Many Parties stressed that the focus of adaptation should now fully shift to the operationalization and implementation of adaptation plans and actions, including through the integration of adaptation into national and sectoral planning. A more systematic approach to enhancing capacity for such a shift, and the sharing and dissemination of knowledge and lessons learned was also called upon.

23. Parties emphasized that support for adaptation in developing countries needs to be scaled up and that the provision of such support should be streamlined. This would require a more systematic approach to the monitoring and evaluation of adaptation action and to the MRV of support. Some Parties mentioned that support should be provided to those Parties that need it most in terms of their vulnerability. It was also suggested that progress in adaptation and support could be included as part of a potential post-2020 review mechanism of the 2015 agreement.

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<sup>6</sup> See also the round-table discussions on mitigation summarized in part V below.

<sup>7</sup> Decision 1/CP.16, paragraphs 13-35, and related decisions.

24. A number of suggestions were made for further work and focussed discussion at future sessions of the ADP, including a workshop on adaptation, technical work on adaptation costs under different global temperature goals and global warming scenarios, and/or on the benefits of adaptation, particularly regarding economic resilience, economic diversification and means of implementation, such as technology.

#### **IV. Means of implementation: finance, technology development and transfer and capacity-building**

25. Parties highlighted the importance of means of implementation to enable enhanced mitigation and adaptation action. It was stressed that support was the key to enabling enhanced action and releasing potential in developing countries. In this regard, it was noted that many developing countries are already taking action and that the main barrier to action was the need for enhanced and effective support.

26. Parties also saw a need to situate the means of implementation within the context of mitigation and adaptation action to provide context and coherence to support. It was suggested that Parties should discuss specific ways of addressing means of implementation under the ADP, including how to link them with specific mitigation and adaptation action. It was stressed that support should be balanced between mitigation and adaptation, with a call to identify specific sources of finance for adaptation action. The need for a systematic and holistic approach was also emphasised. At the same time, some Parties emphasised that means of implementation should be addressed in their respective components of finance, technology development and transfer and capacity-building and in a distinct manner under the ADP. A view was expressed that resources should be provided for Parties to curb hydrofluorocarbon emissions.

27. Many Parties called for scaled up, new, additional and predictable finance to enable longer-term planning by generating confidence in long term resources. In this regard, it was suggested that there should be a global goal, along with a regular review process for the goal. It was also held that the current goal of mobilising 100 billion USD per year by 2020 may not be sufficient and would need to be scaled up. There were also calls to mobilise resources for transformative change, namely for transforming development and investment in order to enable low-carbon and climate-resilient development: this would require stable and enabling environments within broader policy frameworks. It was noted that secure means of implementation could incentivise ambitious climate action. However, a view was also expressed that while finance was important, whether and, if so, how it would feature in the 2015 agreement remained an open question. Some Parties suggested that limited public finance should be prioritized for the most vulnerable countries.

28. There was also recognition of the importance of transparency and accountability in relation to commitments. In this regard, many Parties called for MRV for support, noting that transparency was key to building confidence and trust. Many Parties also noted the need for a periodic review of commitments in order to adjust them in the light of changing circumstances. In this context it was suggested that any review process included in the 2015 agreement should be carried out in a holistic way addressing mitigation and adaptation actions in conjunction with commitments relating to support. Some Parties also stressed that commitments regarding support should also be subject to a robust compliance system to ensure full implementation. In this regard, it was noted that there are gaps in the implementation of the current commitments

regarding finance, technology development and transfer and capacity-building and that there should be an assessment of these gaps and how they can be bridged. It was suggested that there should be a review of the adequacy of commitments relating to support, an evaluation of the implementation of those commitments and an exploration of ways to secure new funding.

29. It was emphasized by Parties that the 2015 agreement should build on the existing arrangements, in particular those established as part of the agreed outcome under the Bali Action Plan. This would ensure institutional continuity, avoid duplication and enable coherence. However, it was emphasised that these arrangements need to become fully operational and effective in delivering the necessary support. Regarding technology, it was noted that the issue of IPRs and barriers to technology transfer and development needed to be fully addressed.

30. It was also noted that structures and arrangements only become effective if there are adequate financial resources. It was stressed that there was a need for clarity with regard to the volume and availability of financial resources before Parties could decide on enhanced actions.

31. Some Parties also suggested that on the basis of common but differentiated responsibility and respective capabilities (CBDRRC), a broader range of Parties should support action in their own country and in others. Some Parties noted that they were ready to consider universal contributions if there were significant benefits for developing countries. However, it was made clear by some Parties that there should be no transfer of responsibility for support with respect to finance from developed country Parties to developing country Parties.

32. There were calls for a framework for private sector involvement in climate change development. Some Parties also stressed that a well-coordinated carbon market is an important tool for the provision of means of implementation and for enabling Parties to reduce emissions in a flexible way. Building upon lessons learned from the experience under the Kyoto Protocol was considered essential for the development of new market-based mechanisms. However, some Parties noted that the effectiveness, the viability, and the environment integrity of market mechanisms for mitigation need to be reviewed and considered with caution, and as such the role of non-market mechanisms takes on an additional significance and should be considered further.

## **V. Mitigation**

33. There was a rich and wide ranging discussion on mitigation, with many Parties providing specific suggestions. There was a general understanding that all Parties will contribute and cooperate, taking into account national circumstances and guided by the principles of the Convention, to achieve its ultimate objective. Further, it was recognised that the 2015 agreement should enable and incentivise broad participation, noting that flexibility might provide such an incentive.

34. In addressing mitigation action, many Parties emphasised that sustainable development must be core to any mitigation-related endeavour and that policy solutions must address different stages of development. Some Parties stated that effective and comprehensive mitigation action would require diversification of economies as well as structural change. It was also noted that response measures need to be addressed and that unilateral trade measures should be discouraged.

35. There was a recognition of the need for both enhanced national action and for international rules. Some Parties called for a top-down approach, for example multilateral

oversight of the allocation of commitments in order to bridge the emissions gap, noting that bottom-up approaches had not been effective. Other Parties emphasised the importance of allowing Parties to determine their own mitigation commitments in the light of their national circumstances to ensure that action was best suited to their domestic drivers.

36. However, it was recognised that some common rules should be set at the international level to ensure a common understanding of the national actions in order to, inter alia, ensure ambition, fairness, comparability and that the requirements of science are met. It was noted that commitments should also be predictable in terms of the expected emission reductions. There were some concrete proposals on how the top-down and bottom-up approaches could be combined, with Parties noting that more time was required to better understand these approaches.

37. With respect to national action, some Parties referred to a menu or spectrum of commitments and it was noted that there was a need to better understand the various ideas and proposals, including on the possible variety of enhanced actions or types of commitments. With regard to the latter, it was suggested that the commitments could include: absolute economy-wide reduction targets; relative targets/deviation from business-as-usual; carbon budgets; intensity-based targets; and sectoral targets, actions and policies (noting the need to address the variations between different countries).

38. It was also highlighted that the menu or spectrum of commitments should have a defined or limited range and that the commitments should be easy to formulate, understand and assess, and be defined within a specific time frame so that, inter alia, they can be comparable and quantifiable. It was also noted that it might be useful to have indicators and that the contributions should be seen as fair and as a reflection of each Party's own mitigation potential and profile. Suggestions for the development of this range of commitments included looking at the three dimensions of scope, ambition and support.

39. Many Parties stressed the need for an equity dimension and noted that any menu or spectrum of commitments should be based on equity and must be in line with Convention. Some Parties noted that they expected advanced economies to take on absolute reductions and other countries with substantial emissions and capacity to take on economy-wide commitments. Others emphasised that, as equity is a central priority, developed country Parties must take the lead, recognising their historical responsibility. There was also a call for equality regarding the use of global atmospheric space.

40. It was also stressed that the agreement and its obligations need to be applicable to all, recognising that actions will be differentiated. Parties explored the basis of differentiation, with many Parties emphasising that the provisions and structure of the annexes to the Convention are sufficient for differentiation, while other Parties looked towards indicators, such as total emissions volume, emissions per unit of gross domestic product (GDP), population and technological advancement. It was noted that the mitigation architecture must enable the carbon markets in ways that maintain environmental integrity.

41. Parties also began to discuss how commitments could be captured, noting that commitments and common rules must be anchored in the 2015 agreement. Some Parties also began to explore possible vehicles for these commitments, such as national schedules

42. Many Parties stressed the need for an international rules based system for mitigation in order to, inter alia, provide balance with the nationally determined actions. There was a general understanding of the importance of transparency in building confidence and trust. It was noted

that transparency is essential for, inter alia, demonstrating the life cycle of environmental impacts and social/economic impacts, funding and enabling everyone to have a better understanding of the expected impacts on the atmosphere.

43. A number of suggestions were made for the establishment of international rules for accounting and transparency. It was noted that such a system would need to be differentiated so that the accounting rules matched a specific type of commitment, taking into account differing national circumstances. Such a rules-based system should be robust but flexible and would also need to capture changing circumstances in a predictable manner. However, it was noted that the more flexible and self-determining the system, the stricter the application of on an ex ante assessment or review. Further, there were also calls for a transparency and accountability system for financial commitments and a road map for delivery.

44. There was an emerging understanding of the need for review processes to consider initial national commitments and/or to review them at regular intervals in order to ensure the durability of the 2015 agreement to deliver ambitious action over time: this was referred to as an “upward escalator”. A number of specific suggestions were made, including

- a) Parties to put forward commitments that they make on the basis of CBDRRC; a process to consider commitments before they are finalised; rules for transparency and accounting to enhance confidence and a process to regularly revisit and enhance commitments over time.
- b) Parties to provide information as part of their commitments to allow other Parties to assess their level of contribution in the light of the overall global goal of maintaining the temperature increase below 2 °C and a consultative process to build confidence and incentivise ambition:
- c) Nationally determined actions to be subject to mutual assessment based on criteria agreed by all Parties and a periodic review to increase ambition
- d) An equity reference framework that reflects relative fair efforts by all Parties in response to mitigation and adaptation.
- e) A review of the adequacy of existing commitments to evaluate them and explore new ways to enable necessary and sufficient means of implementation.
- f) Process to define the different types of commitments; Parties to select commitments and a review process.

45. Many Parties also called for a robust compliance system, noting that the consequences of non-compliance should be differentiated

46. As reflected in the round table on means of implementation, it was recognised that enhanced action on mitigation requires support. It was also noted that mitigation action is costly and support is therefore essential in order to, inter alia, address barriers to action.

## **VI. Transparency**

47. Parties recognised that transparency will play an important part in the 2015 agreement in, among other things, building trust and confidence, tracking progress and enhancing action. The importance of transparency was recognised for all commitments, including mitigation, adaptation and means of implementation. Many transparency-related issues were raised within



the specific round tables on adaptation, means of implementation and mitigation and are reflected in the relevant sections above.<sup>8</sup>

48. It was understood that the issue of transparency for the 2015 agreement should be addressed building on existing processes and tools in relation to MRV, including those established under the agreed outcome under the Bali Action Plan.<sup>9</sup> Some Parties noted that the efficiency and cost-effectiveness of the existing MRV system needs to be improved for the 2015 agreement, also taking into account national circumstances. Further, some Parties noted that transparency should be enhanced through internationally agreed rules that are applicable to all Parties.

49. Parties recognized the benefits of having a set of international rules on transparency, including: having tools to analyse drivers and processes; providing ways to share knowledge, best practices and experience and providing information to enhance action and assisting in making links between the enhanced actions, context and capacity of Parties.

50. In terms of mitigation, Parties noted that transparency enables progress towards the goal of holding the global temperature rise below 2 °C to be tracked, allows for comparability between commitments and assists environmental integrity. A number of Parties suggested that common accounting rules are needed for the 2015 agreement, and that these accounting rules should avoid double counting of emission reductions and should be transparent about the use of credits from activities related to land use/sinks and from market-based mechanisms.

51. In terms of finance, Parties noted that transparency was useful in studying financial flows, the share of financial resources, the scale of beneficiaries and effectiveness, including the effectiveness of delivery. It was suggested that a set of indicators could be helpful, for example, to assess capacity-building.

52. It was noted that transparency rules could be useful at different stages, for example ex ante and during a periodic review of commitments. However, there were also calls to ensure that any rules on transparency respect CDBRRC and are not too burdensome.

## **VII. Closing and summary**

53. In the closing round table, we summarised our impressions from the round-table discussions and highlighted areas where we perceived that there was possible or emerging common ground.<sup>10</sup>

54. We also outlined areas for further work, namely in the areas of:

- a) The notion of a variety of enhanced actions, including different types of commitments, and a deeper understanding of the proposed top-down and bottom-up elements, as well as possible combinations thereof;
- b) Adaptation, namely how to build on and add value the existing Cancún Adaptation Framework, and how the provision of support can be enhanced;

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<sup>8</sup> See, inter alia, paragraphs 13, 23, 28, and 42–44.

<sup>9</sup> See footnote 5 above.

<sup>10</sup> As announced by the co-chairs, these areas of perceived common ground will be included in an annex to the co-chairs' reflection note on the first part of the second session, ADP.2013.8.InformalNote (to be issued).

c) Broader questions of how existing arrangements under the Convention will be linked to the 2015 agreement as they continue to evolve and mature.

55. There was a reminder from some Parties of the need to see beyond June and start looking at what the ADP can achieve at Warsaw, Poland.

56. There was also a discussion around specific proposals, including reference to a proposal made by Brazil during the negotiation on the Kyoto Protocol that was based on relative historical responsibility, and which had been updated.<sup>11</sup> In this context, reference was also made to the work undertaken by the Subsidiary Body for Scientific and Technological Advice on the scientific and methodological aspects of the proposal made by Brazil.<sup>12</sup> There was also a proposal made to allocate emission reductions and financial commitments for all Parties based on per capita emissions and GDP.

57. A number of Parties spoke of the urgent need to close the ambition gap, as well as the quantification of the amount of adaptation required, in the light of the current scientific assessment of climate change, should current commitments not be met.

58. Parties also made comments and proposals on the organisation of the work of the ADP, including on the possible establishment of a contact group or groups at the next part of the session of the ADP in June 2013, as well as suggestions to cluster the work around specific topics. Several Parties also stressed the need for balance regarding the two parts of the session in terms of the issues covered and the presenters and panellists participating in the workshops.

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<sup>11</sup> Information on this proposal was provided and requested to be made available. The relevant information is available at <<http://unfccc.int/7387>>.

<sup>12</sup> See paragraphs 106-113 in FCCC/SBSTA/2008/6. See also <[http://unfccc.int/methods\\_and\\_science/other\\_methodological\\_issues/items/1038.php](http://unfccc.int/methods_and_science/other_methodological_issues/items/1038.php)>.