

Parties' views and proposals on the elements for a draft negotiating text

Non-paper

7 July 2014

This non-paper has been prepared by the Co-Chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) and describes, in bullet-point format, Parties' views and proposals derived from statements, interventions, submissions and other inputs from Parties, including conference room papers, on the elements for a draft negotiating text of the 2015 agreement. Headings and subheadings are only to orientate the reader. Bullets and sub-bullets are used to organize Parties' views and proposals. They do not necessarily signal a certain degree of convergence or divergence. In a number of cases the spectrum of views expressed on a particular issue is displayed using columns to assist the reader.¹

I. General and preambular elements

Objective and purpose

- In order to achieve the ultimate objective of the Convention as set out in its Article 2, the 2015 agreement is to:
 - Further enhance the full, effective and sustained implementation of the Convention
 - Strengthen the multilateral rules-based regime under the Convention during the post-2020 period
 - Ensure implementation by Parties of their respective commitments under the Convention

Guiding principles

- The 2015 agreement is to be under the Convention and guided by its principles, including common but differentiated responsibilities and respective capabilities (CBDR-RC), while taking into account national circumstances,

Confirming that the agreement must not be a rewriting or renegotiating of the Convention and: <ul style="list-style-type: none">▪ Be based on CBDR, equity and historical responsibility▪ Be in full accordance with its provisions, in particular Article 4 as well as existing decisions and the structure of the Convention, including its annexes, as they remain a valid reflection of responsibilities for historical emissions	As applied in the post-2020 period: <ul style="list-style-type: none">▪ Principles to be applied to current and future circumstances, to be operationalized, in a dynamic manner, in the light of changing respective capabilities▪ A binary approach is not consistent with the current and evolving situation of the world and cannot be used as the basis for the 2015 agreement
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- The 2015 agreement is to be applicable to all:
 - Aiming for and incentivizing universal participation
 - Recognizing that applicability to all does not mean uniformity but differentiation in application according to the provisions and principles of the Convention, and that universality does not mean uniformity
 - Commitment by all Parties to act and to take legally binding commitments to address climate change and reduce greenhouse gas (GHG) emissions in accordance with national circumstances
- The 2015 agreement is to be guided by science and equity
 - Reflecting equity, including inter-generational equity, and ambition globally and domestically
 - Enabling an increase in ambition over time guided by the agreed overall goal of holding the increase in global average temperature below 2/1.5 °C above pre-industrial levels
 - Equity is best achieved through nationally determined contributions
- The 2015 agreement is to embrace leadership:

¹ For background see also Reflections on progress made at the fifth part of the second session of the ADP. Note by the Co-Chairs (ADP.2014.5.InformalNote), issued in conjunction with this non-paper.

- 34 ○ Developed country Parties to commit to take the lead in fully implementing the Convention in the pre-
35 and post-2020 periods
- 36 ○ Leadership by Parties with the greatest responsibility and highest capacity
- 37 ○ Any enhanced action of developing country Parties to be accompanied by a corresponding equivalent in a
38 scaled-up provision of new and additional, adequate and predictable financial resources, including for the
39 transfer of technology, as provided for in Article 4, paragraph 3, of the Convention, and in accordance
40 with its Article 4, paragraph 7, and must be measured, verified and reported as has been agreed in the
41 relevant decisions of the Conference of the Parties (COP)
- 42 ○ Incentivizing and enabling increasing leadership by Parties that wish to lead ('fast-sliding')

43 *Scope, coverage and legal nature*

- 44 ● The 2015 agreement needs to:
 - 45 ○ Address all elements identified in decision 1/CP.17, including positive, comprehensive, balanced and
46 independent treatment of mitigation, adaptation, finance, technology, capacity-building and transparency
47 of action and support
 - 48 ○ Address all elements, with mitigation at the core, reflecting a comprehensive range of issues, with the
49 depth determined by the unique characteristics of each issue
 - 50 ○ Require all elements to stand the test of durability
- 51 ● Regarding the legal nature of the 2015 agreement and its elements:

All elements are to have the same legal nature, consistent with other related legal instruments that the COP has adopted, and may adopt under the Convention	The legal nature of the elements of the 2015 agreement is dependent upon the substance contained within those elements
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52 *Further considerations*

- 53 ● Furthermore, the 2015 agreement needs to:
 - 54 ○ Be durable, flexible and effective
 - 55 ○ Follow an action-oriented approach
 - 56 ○ Catalyse action domestically, therefore linking the global to the national level
 - 57 ○ Take into account the imperatives of sustainable development and the survival of countries, including by:
 - 58 ■ Recognizing the right to equitable access to sustainable development
 - 59 ■ Recognizing that responses to climate change should be coordinated with social and economic
60 development in an integrated manner with a view to avoiding adverse impacts on the latter
 - 61 ■ Recognizing that all countries, especially developing countries, need access to the resources required
62 to achieve sustainable social and economic development
 - 63 ○ Result in a fair sharing of atmospheric space and resources, global adaptation responsibility, and access to
64 finance, technology and capacity-building support
 - 65 ○ Protect the integrity of Mother Earth
 - 66 ○ Recognize gender considerations
 - 67 ○ Respect the views of indigenous peoples

68 *Build on pre-2020*

- 69 ● The 2015 agreement needs to build on pre-2020 efforts:
 - 70 ○ Recognizing that closing the pre-2020 ambition gap is critical for the post-2020 period and that levels of
71 post-2020 ambition are contingent on the pre-2020 period
 - 72 ○ Recognizing increased ambition in the pre-2020 period as an additional contribution to the post-2020
73 period
 - 74 ○ Workstream 2 of the ADP to help to close the pre-2020 mitigation ambition gap and form part of the
75 ambition mechanism of the 2015 agreement

76 **II. Mitigation**

77 **Long-term and collective aspects of mitigation**

- 78 • Mitigation commitments/contributions in aggregate to contribute to emission reductions consistent with the
79 agreed limit to global temperature rise
- 80 • A long-term common goal to be expressed:
- 81 ○ As a limit to global average temperature rise below 2/1.5 °C above pre-industrial levels
- 82 ○ As a maximum concentration of GHGs in the atmosphere
- 83 ○ As a global goal for emission reductions
- 84 ▪ In the form of a trajectory to reach 50 per cent below 1990 levels by 2050
- 85 ▪ In line with science (e.g. 40–70 per cent below 2010 levels by 2050 with net emissions near zero, or
86 below zero, by 2100); as carbon neutrality by the end of the century; and by 2050 for developed
87 countries
- 88 ○ As a carbon budget: atmospheric space and development space to be divided among Parties
- 89 • Mitigation and adaptation to achieve a net decrease in emission levels

90 **Mitigation commitments/contributions**

91 *General*

- 92 • Mitigation commitments/contributions to be guided by the principles of the Convention, in particular CBDR-
93 RC
- 94 • All Parties to take consecutive mitigation commitments/contributions through time
- 95 • Commitments/contributions to contain both short-term and long-term components
- 96 • All Parties to ensure the maximum level of mitigation ambition with no backsliding/backtracking in the form
97 or effort of contributions/commitments
- 98 • Mitigation commitments/contributions to be nationally determined
- 99 • Mitigation commitments/contributions:

Not to be subject to conditions, but developing countries could specify additional levels of effort subject to the provision of means of implementation	Of developing countries to be subject to, and enabled and supported by, finance, technology development and transfer, and capacity building from Annex II Parties in accordance with Articles 4.3, 4.5, 4.7 and 11 of the Convention
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- 100 • Mitigation commitments/contributions to be quantified or quantifiable
- 101 • Mitigation commitments/contributions to be communicated, be subject to an ex ante process or consultations,
102 and to review (*see section IX on the cycle of commitments/contributions for further elaboration of proposals*)
- 103 • Mitigation commitments/contributions to be formalized/inscribed:
- 104 ○ In an annex/attachments to the agreement, as an integral part of the agreement
- 105 ○ In national schedules
- 106 ▪ To be an integral part of the agreement
- 107 ▪ To be housed separately from the agreement
- 108 • Type of mitigation commitments/contributions:
- 109

To be selected by each Party based on national circumstances and capacities	To be pre-determined as follows: <ul style="list-style-type: none"> ▪ Developed countries to take the lead in accordance with Article 3, paragraph 1, of the Convention through absolute economy-wide emission reduction targets/commitments undertaken domestically with comparability of efforts ▪ All major economies to take absolute economy-wide emission reduction targets ▪ Developing countries to take a diversity of <ul style="list-style-type: none"> ○ actions/ commitments in accordance with their
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	<p>circumstances and capacities, ranging from absolute limits on emissions, relative emission reductions, intensity targets, nationally appropriate mitigation actions (NAMAs), low-emission development plans and strategies and sectoral mitigation plans and strategies</p> <ul style="list-style-type: none"> ○ nationally determined actions in accordance with their specific needs and special circumstances as stated in Article 3, paragraph 2, of the Convention, including net avoided emissions, or also manifested as adaptation co-benefits, where appropriate
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- 110 • Joint commitments/contributions from regional groups of Parties and joint fulfillment of commitments
- 111 • Impacts of the implementation of response measures on developing countries to be addressed
 - 112 ○ Through an international mechanism in accordance with Article 4, paragraphs 8, 9 and 10, of the
 - 113 Convention
- 114 • Unilateral measures not to constitute a means of arbitrary or unjustifiable discrimination or a disguised
- 115 restriction on international trade in accordance with Article 3, paragraph 5, of the Convention

116 *Accounting rules*

- 117 • Rules for the international use of units and outcomes of market-based mechanisms to prevent double
- 118 counting, ensure the environmental integrity of the agreement and address banking and borrowing
- 119 • Accounting of the land-use sector
- 120 • Contributions/commitments to cover all sectors and GHGs
- 121 • Use of common metrics to measure GHG emissions
- 122 • Minimum standards are required for reporting and accounting
- 123 • Use of the Intergovernmental Panel on Climate Change (IPCC) Greenhouse Gas Inventory Guidelines
- 124 • Applicability of rules:

To all	To all with the possibility for Parties to opt out as long as an explanation is provided	To be different for developed and developing countries
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125 *Timeframe*

- 126 • Parties to use a common end date or length of commitment period:

Ten years with mid-term reviews	Five years
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127 **Complementary decisions**

- 128 • Decisions on accounting rules to be adopted

129 **III. Adaptation**

130 **General**

- 131 • Adaptation to be treated as a matter of collective responsibility
- 132 • All Parties to be encouraged to address adaptation in national planning, integrating adaptation into existing
- 133 national plans and programmes
- 134 • A framework or provisions to be defined to accelerate the implementation of adaptation and common metrics
- 135 to assess progress
- 136 • Cooperation on adaptation is a legal requirement
- 137 • Developing country Parties' adaptation actions and their enhancement, including economic diversification, to
- 138 be supported by financing from developed country Parties and Parties included in Annex II to the Convention
- 139 (Annex II Parties)
- 140 • Formulation of national adaptation plans (NAPs) not to be a pre-condition for finance

141 *Links with mitigation*

- 142 • The agreement to define the relationship between mitigation, adaptation and loss and damage
- 143 • Win-win solutions between mitigation and adaptation to be enhanced to increase the overall level of ambition
- 144 • Mitigation and adaptation to be institutionally linked
- 145 • Mitigation and adaptation are mutually supportive; developing countries depend on support for adaptation in
- 146 order to engage in mitigation activities

147 **Long-term and collective aspects of adaptation**

- 148 • Long-term aspects of adaptation to relate to:
- 149 ○ Means of implementation, research and scientific assessments
- 150 ○ The long-term global temperature limit building on the objective of the Convention
- 151 • A global goal for adaptation to be defined:

<p>Mitigation and associated adaptation need to be addressed in the context of the agreed temperature limit in accordance with Article 2 of the Convention; a global goal for adaptation to be established based on the level of mitigation which would determine the level of means of implementation required to meet the costs of impacts under different temperature scenarios. Costs and respective support needs to be identified through NAPs and other needs assessment processes</p> <ul style="list-style-type: none"> ▪ To be framed in terms of support for adaptation 	<p>A process to be established to develop a goal valid both for adaptation and mitigation in terms of temperature limit</p>	<p>As the common commitment for all Parties to ensure resilience to the adverse effects of climate change by integrating adaptation into policies and programmes and to build/increase capacity to adapt to climate-induced hazards</p>
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- 152 • Assess progress on adaptation through metrics and indicators with the overarching objective of increasing
- 153 global resilience and reducing vulnerability, through an adaptation assessment framework, taking into
- 154 account national priorities

155 **Commitments/contributions on adaptation**

- 156 • A common commitment of all Parties to work towards climate-resilient development, cooperate and integrate
- 157 adaptation into national strategies and programmes; commitments to encourage the engagement with
- 158 subnational and local authorities to enhance adaptation
- 159 • Individual commitments by all Parties:
- 160 ○ Developed countries' commitments to be in accordance with Article 4, paragraphs 1, 3, 4 and 5, of the
- 161 Convention, reflecting their obligation to support adaptation in developing countries in accordance with
- 162 realizable temperature scenarios
- 163 ○ Developing countries' commitments:
- 164 ▪ To be in accordance with Article 4, paragraph 1
- 165 ▪ To build on existing mechanisms and processes for NAPs and NAPAs
- 166 ▪ To encourage developing countries to showcase their efforts and needs and to help to recognize
- 167 national efforts towards the global goal
- 168 ▪ Not to create more reporting requirements and impose additional burden on developing countries, in
- 169 particular the least developed countries (LDCs)
- 170 • Commitments/contributions to be communicated, be subject to an ex ante process or consultations, and to
- 171 review (*see section IX on the cycle of commitments/contributions for further elaboration of proposals*)

172 **In the context of national adaptation plans**

- 173 • NAPs:

- 174 ○ Provide the essential basis for all countries to assess vulnerabilities, identify adaptation options and
- 175 implement adaptation
- 176 ○ The agreement to ensure that the process to formulate and implement NAPs is being undertaken in all
- 177 interested developing countries
- 178 ○ The agreement to ensure that NAPs go beyond mere planning and mainstreaming
- 179 ○ Provide more clarity of what constitutes NAPs, including their relationship with
- 180 commitments/contributions on adaptation

181 **Institutional arrangements, cooperation and coordination**

- 182 • Existing institutional arrangements (such as the Cancun Adaptation Framework and the Nairobi work
- 183 programme on impacts, vulnerability and adaptation to climate change (NWP)) to be:

Anchored explicitly in the agreement, effectively articulating functional links and/or to be integrated and operationalized according to the agreed commitments on adaptation	Effectively implemented through sufficient support (rather than explicitly anchoring institutional arrangements in the legally binding agreement)
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- 184 • Monitoring and evaluation as well as reporting on adaptation and learning from plans, policies and
- 185 programmes:
 - 186 ○ To be strengthened and/or institutionalized
 - 187 ○ To be done through providing authority to the COP to adopt further guidance on such reporting and
 - 188 further facilitating the sharing of progress and experiences in preparing and implementing adaptation
 - 189 actions
- 190 • Enhancing the sharing of information, knowledge and lessons learned and adaptation practices, for example,
- 191 through enhancing the NWP:
 - 192 ○ To address the gap in the implementation of adaptation
 - 193 ○ To be brought down to the regional/local levels to strengthen local and institutional capacity

- 194 • New institutional arrangements:

A subsidiary body for adaptation similar to the other subsidiary bodies	A registry to record and showcase national adaptation actions/ programmes, seeking: <ul style="list-style-type: none"> ▪ To enhance international cooperation for finance, technology and capacity-building support for such adaptation actions and programmes and/or ▪ To monitor and identify progress and gaps in adaptation from a global perspective 	Enhancing the mandate of the Adaptation Committee, including to strengthen linkages with the Green Climate Fund (GCF) and other existing funds under the Convention
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195 *Loss and damage*

- 196 • The new agreement to include provisions for loss and damage for cases where mitigation and adaptation will
- 197 not be sufficient
- 198 • The Warsaw International Mechanism on Loss and Damage associated with Climate Change Impacts:

To be developed under the process established in Warsaw	To be anchored and fully integrated in the 2015 agreement and operationalized
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- 199 ○ To be supported by financing from developed country Parties and Annex II Parties

200 **Complementary decisions**

- 201 • The agreement to contain: long-term and collective aspects of adaptation and commitments/contributions on
- 202 adaptation as well as authorization to the COP to decide on implementation modalities and make use of
- 203 existing arrangements
- 204 • Complementary decisions to contain: provisions on institutional arrangements, coordination and cooperation,
- 205 as well as process-related matters and modalities (e.g. for information sharing on, and recognition of, national
- 206 efforts, sharing of lessons and experiences)

207 **IV. Means of implementation – finance, technology and capacity-**
208 **building**

209 **General**

- 210 • Reiterate the linkage between the level of action by developing countries and the level of support provided by
211 developed countries as per Article 4, paragraph 7, of the Convention
- 212 • Commitments of all Parties to play their parts in developing and improving enabling environments for the
213 enhanced delivery of the means of implementation
- 214 • Define a collective goal for the means of implementation
- 215 • Means of implementation to:
- 216 ○ Be quantifiable, comparable and transparent and ensure best efforts of Parties based on their capacity and
217 include relevant road maps and targets
- 218 ○ Be effective and predictable for developing countries in the medium and long term to enable a
219 transformation at scale in the way public and private investments are made
- 220 ○ Allow country ownership and attribute a greater role to national and subnational entities
- 221 ○ Give priority to developing countries that need support and that are particularly vulnerable to the adverse
222 effects of climate change
- 223 • Implementation of the provision of finance, technology and capacity-building to be enhanced:
- 224 ○ Only Annex II/developed country Parties have commitments to provide support in accordance with
225 Article 4 of the Convention, due to historic responsibilities, equity and CBDR-RC
- 226 ○ All Parties in a position to do so to have commitments to provide support, based on:
- 227 ▪ Today's capacity
- 228 ▪ The polluter pays principle
- 229 ▪ Equity and CBDR-RC
- 230 • Commitments/contributions to be communicated, be subject to an ex ante process or consultations, and to
231 review (*see section IX on the cycle of commitments/contributions for further elaboration of proposals*)

232 **Specifics**

- 233 • Provide enhanced access to the means of implementation for adaptation through existing institutions and
234 mechanisms and in line with existing agreements and commitments²

235 **Institutional arrangements, cooperation and coordination**

- 236 • Build on lessons learned, existing mechanisms under the Convention and best practices from other processes
- 237 • Further strengthen existing institutional arrangements for the means of implementation:
- 238 ○ Further elaboration of how operational mechanisms, including those under the Convention, will support
239 delivery on the agreed general and specific commitments, ensure continuity and avoid duplication of
240 actions; existing arrangements and institutions should be effectively utilized taking into consideration
241 discussions and development within these bodies
- 242 • Means of implementation to be integrated and coordinated among institutions and arrangements for finance,
243 technology and capacity-building within and outside the UNFCCC based on programmatic system-wide
244 approaches:
- 245 ○ Provide for periodic assessment of coordination and cooperation between institutions, and a process to
246 make adjustments, as appropriate
- 247 • Further strengthen South–South and triangular cooperation

248 *Mechanisms*

- 249 • Guiding principles for the inclusion of mechanisms:
- 250 ○ Create incentives for action by all Parties in a position to do so and for the broadest range of stakeholders,
251 including from the private sector

² See also section III.Adaptation above (on institutional arrangements, cooperation and coordination), and section V.Finance below (on specifics, lines 332-340).

- 252 ○ Mobilize the widest range of potential investments for climate benefits, including for adaptation
- 253 ○ Incentivize and acknowledge front runners that have already taken action
- 254 ○ Promote mainstreaming of climate into domestic economies
- 255 ○ Promote a balanced approach between market and non-market-based approaches
- 256 ● Provisions for inclusion of mechanisms:
 - 257 ○ General provisions allowing for use of flexible market mechanisms (and non-market-based mechanisms)
 - 258 ○ Provisions for the inclusion of specific mechanisms:
 - 259 ■ Include/create a REDD-plus mechanism
 - 260 ■ Establish a Mechanism for Climate Resilience and Sustainable Development
 - 261 ■ Provide for a mechanism to promote and finance adaptation and mitigation actions
 - 262 ■ New market mechanism
 - 263 ■ Kyoto Protocol (KP) mechanisms

264 V. Finance

265 General

- 266 ● Provision of new, additional, adequate and predictable finance, including clarity on level of support
- 267 ● Acknowledge the need for adequacy of financial flows mobilized from various sources, public and private, in
- 268 the context of meaningful mitigation action and transparency of implementation
- 269 ● Financial contributions to be needs and science based; need for enhancing national needs assessment
- 270 ● Importance of country ownership
- 271 ● Simplification, improvement and rationalization of access, including direct access, and harmonization of
- 272 approval and accreditation processes between various channels and institutions
- 273 ● Allocation for adaptation and mitigation

Prioritization of adaptation	Balanced allocation between adaptation and mitigation	50:50 balance and/or at least 50% to adaptation based on criteria ensuring balanced geographical allocation
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- 274 ● Prioritization of the most vulnerable countries, recognizing special circumstances of LDCs and small island
- 275 developing States (SIDS)
 - 276 ○ Fair geographical allocation
- 277 ● Importance of enhancing enabling environments and reduction of barriers, such as for private sector
- 278 investment in adaptation:
 - 279 ○ Commitment by all Parties, importance to respect countries' national prerogative to choose their domestic
 - 280 climate policies
 - 281 ○ Contributor countries to mitigate the risk of the private sector, and to mainstream climate change in
 - 282 overall assistance, recipient countries to make efforts to improve enabling environments and to
 - 283 mainstream climate change
 - 284 ○ Need for national frameworks, including policies and measures; international support is needed to
 - 285 enhance domestic enabling environments
 - 286 ○ Countries seeking financing have responsibility to dedicate sufficient domestic resources, to put in place
 - 287 conditions to mobilize, attract and absorb climate-related investments
- 288 ● Need to ensure effectiveness of climate finance
- 289 ● Importance of climate-friendly investments, including private investment, and importance of the
- 290 mainstreaming of public and private investments
 - 291 ○ All Parties to prioritize low-carbon growth and climate-resilient development in their development
 - 292 strategies
- 293 ● Definition of, and agreement on, various support instruments:
 - 294 ○ Need for greater diversity of finance tools, channels and instruments

- 295 ○ Financial support to be without conditions, i.e. grants
- 296 ○ Form of support will vary widely by country and sector
- 297 ● Importance of readiness support, including for access
- 298 ● Sustainability and durability:
 - 299 ○ At least five-year commitments by Annex II Parties, to be clarified by scale and timeline
 - 300 ○ Delivery to strike a balance between implementation of international commitments and alignment with sustainable development
 - 301 ○ Need for financial provisions to be able to adapt to future changing environmental and economic realities

Commitments/contributions

General

- 305 ● Collective and individual commitments:

<u>Goal for climate finance that reflects the 2 °C goal</u>	<u>Commitments:</u>	<u>Pathways, road map, targets:</u>	<u>Concrete annual levels of public funding:</u>	<u>Assessed contributions based on an agreed percentage formula for the calculation of the contributions of Parties included in Annex I to the Convention (Annex I Parties) and differentiating developing country contributions</u>	<u>No quantified commitments for the post-2020 period</u>
	<ul style="list-style-type: none"> ▪ Explicit commitment by developed countries to the realization of the USD 100 billion goal ▪ Common global commitment for all Parties to mobilize climate finance ▪ Ex ante process to commit to quantified support commensurate with the required effort reflected in the adaptation and mitigation goals ▪ Strengthen and significantly enhance existing provision of climate finance, enhance implementation of Annex II Parties commitments 	<ul style="list-style-type: none"> ▪ Ex ante predictability through time-bound financial targets ▪ Aggregate target of developed countries ▪ Clear annual target as well as allocation principles for prioritization of the most vulnerable groups 	<ul style="list-style-type: none"> ▪ With USD 100 billion as a floor and leading to enhanced specific commitments by developed countries ▪ Commensurate with the financing needs of Parties not included in Annex I to the Convention (non-Annex I Parties), and increasing trend over time 		

Nature of financial commitments

- 307 ● Financial commitments are:

Legally binding	A political commitment
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Support to be provided by whom

- 309 ● Support is to be provided:

By Annex II/developed country Parties	By the broadening of contributors/all countries in a position to do so, according to CBDR-RC	Welcoming voluntary contributions, including from developing countries	By encouraging all responsible and capable Parties to provide support Non-Annex I Parties willing to contribute
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Sources

- 311 ● Public and private sources:
 - 312 ○ Support to come primarily from public sources, with supplementary funding from private/alternative sources; public sources for specific areas, given the limited potential for private investment, in particular in the most vulnerable countries and LDCs
 - 314 ○ Different types of financing for different activities

- 316 ○ Mobilization/incentivizing/leveraging of the private sector:
- 317 ▪ Commitment by all Parties to cooperate in leveraging private finance, all Parties to take action in
- 318 differentiated manner, agreement to include commitments to mobilize public funds and means to
- 319 facilitate and encourage private investment
- 320 ▪ Developed countries to incentivize private sector
- 321 ▪ Must be strategic and in line with the national priorities and laws and be profitable for the private
- 322 sector
- 323 ▪ Efficient use of public resources and effective public policies key focus of post-2020 cooperative
- 324 efforts among middle- and higher-income countries
- 325 ▪ Mechanism to attract the private sector to invest in projects; agreement to provide for definitions,
- 326 respective roles and give guidance on the mechanism to achieve a useful balance of public and private
- 327 sources, ensuring reasonable returns and full transparency
- 328 ○ Agreement on no-incident arrangements to safeguard economic development in developing countries
- 329 ● Need for agreement on a range of global policies and/or regulations governing generation/sources of climate
- 330 finance

331 *Specifics*

- 332 ● Financing for adaptation:
- 333 ○ Developed countries and Annex II Parties to deliver adequate and predictable funding for adaptation, in
- 334 ○ particular for the implementation of the Cancun Adaptation Framework
- 335 ○ Multilateral financing for adaptation; financial risk management instruments to be built into agreement
- 336 ○ New market mechanism to include share of proceeds especially for adaptation
- 337 ○ Recognition of developing countries' investments in adaptation as contribution to finance
- 338 ○ Sources for adaptation:
- 339 ▪ Identification of sources and prioritization of the public funding necessary
- 340 ▪ Engagement of diverse sources, including private
- 341 ● Funding for the GCF:
- 342 ○ Developed countries to provide 1 per cent of gross domestic product per year from 2020 to the GCF
- 343 ○ Annex II Parties to provide list of specific amounts/percentages reflecting the required share of climate
- 344 ○ finance to be provided to the GCF subject to review
- 345 ○ All countries in a position to do so to provide funding to the GCF
- 346 ○ Mainly from public sources
- 347 ● Support to REDD-plus:
- 348 ○ Support to the REDD-plus implementation mechanism
- 349 ○ Sources to include public; private; non market
- 350 ● Commitment to provide support for the financing and operationalization of the Warsaw International
- 351 Mechanism

352 **Institutional arrangements, cooperation and coordination**

- 353 ● Further develop, build on and strengthen existing climate finance institutions and processes
- 354 ● The financial mechanism of the Convention to serve as the financial mechanism of the 2015 agreement:
- 355 ○ The Standing Committee on Finance (SCF) to be further strengthened, enhancing its coherence and
- 356 ○ coordination work; important role of the SCF with regard to rationalization of the financial mechanism
- 357 ○ Operation of funds to be transparent, competitive and rules based, with operating criteria underpinning
- 358 ○ these rules that are compatible with the requirements of private investors in order to effectively stimulate
- 359 ○ co-investment
- 360 ○ Leverage of the potential non-climate specific financing mechanisms and institutions
- 361 ○ GCF as main entity
- 362 ▪ To be anchored in new agreement
- 363 ▪ Window for REDD-plus

- 364 ▪ Improve and prioritize access by LDCs and SIDS
- 365 ○ Financial mechanism and operating entities replenishment to be linked to IPCC scientific assessment
- 366 ○ Financial mechanism must continue to be main source of financing
- 367 • Adaptation Fund to be part of the post-2015 architecture
- 368 • Institutional arrangements for REDD-plus
- 369 • Coordination to be further enhanced:
 - 370 ○ Among contributors
 - 371 ○ Coordination and cooperation between institutions
 - 372 ○ Need to capture the cooperative dimension of climate finance; recognition of partnership among donors,
 - 373 investors and recipients

374 **Complementary decisions**

- 375 • Key elements on the financial mechanism/institutional arrangements to be included in the agreement,
- 376 decisions for further guidance, as needed, at a later stage

377 **VI. Technology development and transfer**

- 378 • Enhance technology development and transfer, and cooperation, to support action on adaptation and
- 379 mitigation

380 **Commitments/contributions**

- 381 • Differentiated commitments in the agreement:
 - 382 ○ By developed countries:
 - 383 ▪ In accordance with the relevant provisions of the Convention and linked to a measurement, reporting
 - 384 and verification (MRV) system
 - 385 ▪ Provision of finance for technology
 - 386 ▪ Removal of barriers and creation of enabling environments
 - 387 ▪ Provide support on research, development, demonstration and deployment, including on endogenous
 - 388 technologies, and support to build and strengthen endogenous capacities in countries
 - 389 ○ By developing countries, with support of developed countries:
 - 390 ▪ Build/strengthen capacity and enhance endogenous innovation systems – develop national structures,
 - 391 strategies, systems and policies
 - 392 ▪ Strengthen cooperation among developing countries through the Technology Mechanism and the
 - 393 financial mechanism
 - 394 ▪ Develop, update or finalize technology needs assessments (TNAs) with support of the Technology
 - 395 Mechanism
 - 396 ○ The Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN)
 - 397 to support the operationalization and delivery of commitments on technology and accounting
- 398 • No legal obligations in the agreement

399 **Institutional arrangements, cooperation and coordination**

400 *Technology Mechanism*

- 401 • The Technology Mechanism to be:
 - 402 ○ Anchored/reflected the in the agreement
 - 403 ○ Given time before changing it (TEC and CTCN) or its functions
- 404 • Strengthen the Technology Mechanism, enhance its role and operations and make it more effective by:
 - 405 ○ Ensuring predictable and sustainable funding
 - 406 ▪ Financial facility through existing mechanisms to accelerate commercialization of research at early
 - 407 stages
 - 408 ○ Clarifying the role of the private sector:

- 409 ▪ Provide space for the private sector in the Technology Mechanism given its importance in technology
410 development and transfer
- 411 ▪ Technology Mechanism cannot be a technology market place
- 412 ○ Providing adequate staffing and financing
- 413 ○ Focusing more on endogenous technology
- 414 ○ Providing a special programme for SIDS
- 415 ○ Providing for assessment of the effectiveness/adequacy of the Technology Mechanism
- 416 ○ Linking the Poznan strategic programme on technology transfer, or transferring it into the Technology
417 Mechanism
- 418 ○ Guiding or facilitating regional technology or innovation centres and initiatives by the Technology
419 Mechanism

420 *Cooperation and synergy with other institutional arrangements*

- 421 • Establish global joint research development and demonstration (RD&D), attracting and integrating
422 stakeholders, to promote innovation, accelerate RD&D and scale up diffusion of technology
- 423 • Enhance cooperation, collaboration, synergy and linkage between the Technology Mechanism and other
424 institutional arrangements under the Convention, in particular the financial mechanism
- 425 • Clearly define concrete relationship between capacity-building institutions and other mechanisms of the
426 Convention, including the Technology Mechanism

427 *Strengthened role of technology needs assessments*

- 428 • Provisions or a process to ensure the implementation of outcomes of TNAs and technology action plans
- 429 ○ Align TNAs more closely with bankable finance projects
- 430 • TNAs could be linked with NAMAs and NAPs

431 **Enabling environments and barriers to technology development and transfer**

- 432 • Create enabling environments:
- 433 ○ In recipient countries, including the necessary regulatory framework, institutions and capacity, to attract
434 investments in technology, and enhance country ownership
- 435 ○ In developed/donor countries, including the removal of barriers and leverage of private sector support
- 436 ○ Foster enabling environments in both developing and developed countries – both to take actions
- 437 • Address/remove barriers, including:
- 438 ○ Financial barriers, for example through a funding window for technology in the GCF or the financial
439 mechanism
- 440 ○ Barriers related to small markets/countries and national circumstances
- 441 • Consider intellectual property rights (IPR):

<p>To be a barrier to be addressed by:</p> <ul style="list-style-type: none"> ▪ Establishing a facilitative regime or an international mechanism on IPR ▪ A funding window under the GCF or the financial mechanism for financial support for technology development and transfer, including for purchasing licenses ▪ Including guiding principles to deal with IPR ▪ Other arrangements, e.g. collaborative research and development, shareware, commitments related to humanitarian, preferential/fully paid up or joint licensing or rates, and patent pools 	<p>Through means to facilitate access to and deployment of technology while promoting innovation</p>	<p>To be an enabling environment and needed for innovation</p>
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442 **Financing technology development and transfer**

- 443 • Provision of financial support for technology development and transfer:
- 444 ○ Through a funding window under the GCF or the financial mechanism; note the challenge to distinguish
- 445 mitigation/adaptation activities with those specific of technology
- 446 ○ Role of private/public sectors:
- 447 ▪ Both private and public sectors are important in mobilising finance for technology and international
- 448 public and private funds could be focused onto a portfolio of projects which represent the most
- 449 compelling options for the creation of dynamic future markets
- 450 ▪ Finance for technology support is a commitment/responsibility of developed countries, and cannot be
- 451 transferred to private sector

452 **Complementary decisions**

- 453 • Changing aspects of institutional arrangements, such as functions, to be handled in COP decisions
- 454 • Provisions in the agreement to allow further decisions regarding changing the Technology Mechanism or its
- 455 functions

456 **VII. Capacity-building**

457 **General**

- 458 • Clear, predictable, effective, demand-driven, sustainable and long-term support for capacity-building,
- 459 responding to national needs and fostering country ownership until developing country Parties have acquired
- 460 the capacity to fully implement climate change actions under the Convention
- 461 • Use the INDC preparation process to foster country ownership and identification of priority setting
- 462 • Delivery of capacity-building to be based on:
- 463 ○ A formal and structured approach and guided by findings and outcomes of the Durban Forum on
- 464 capacity-building, to ensure development of climate policies, mobilization of the private sector capital,
- 465 public engagement, to identify, design and implement adaptation and mitigation actions and to enable
- 466 domestic development and absorption of technologies
- 467 ○ Existing provisions on capacity-building under the Convention by learning from the last 20 years, and
- 468 providing the climate regime with the tools to make capacity-building more effective
- 469 ○ A more coordinated approach to strengthening both the ability and effectiveness of specific adaptation
- 470 and mitigation actions aimed at implementing objectives of the Convention
- 471 • Capacity-building is:
- 472 ○ A core basis for effective use of finance and technology
- 473 ○ Necessary for preparatory and readiness programmes and for enabling climate finance readiness
- 474 • Capacity-building is to be delivered in a manner that:
- 475 ○ Is gender-sensitive
- 476 ○ Changes from short-term regional seminars to a long-term country-driven approach
- 477 ○ Builds capacity at the national, subnational and local levels to ensure independence from foreign
- 478 consultants, creates multiplier effects and engages the private sector and other stakeholders
- 479 ○ Goes beyond the support of capabilities within governments and implementing agencies, and extends into
- 480 the support of pioneer projects, programmes and actions which promote new modes of operation in
- 481 specific markets that are lower in emissions and/or better adapted to the effects of climate change
- 482 ○ Promotes public awareness and education, strengthens domestic institutions and creates enabling
- 483 environments
- 484 ○ Fosters South–South and triangular cooperation schemes

485 **Commitments/contributions**

- 486 • Common global commitment to enhance capacity in all areas of climate change action to achieve the ultimate
- 487 objective of the Convention and to support the implementation of developing country Parties' individual
- 488 commitments under the 2015 agreement

489 • Specific and quantified commitments from developed country Parties to provide adequate and predictable
490 financing and technology for capacity-building for developing countries that require it, with the financing to
491 be channelled through the GCF

492 • Clear and predictable targets and outcomes for capacity-building

493 • Regular review and update of commitments on capacity-building

494 **Institutional arrangements, cooperation and coordination**

495 • A clear definition of arrangements for capacity-building and their linkages to other bodies and institutions
496 under the Convention

497 • Outcomes of the Durban Forum to be analysed systematically and responded to accordingly

<ul style="list-style-type: none"> ▪ Establish an international capacity-building mechanism, linked to technology and adaptation institutions, funded by the GCF, to enhance capacity of developing countries to implement mitigation and adaptation actions under the Convention, including human skills training for planning, implementation, and domestic institution building, and technology innovation and development of endogenous technology ▪ Establish an evaluation mechanism to assess the effectiveness of the delivery of capacity-building 	<p>Establish a Capacity-building Committee with clearly defined relationships to other bodies established under the Convention and make it operational well before 2020 to ensure that lack of capacity at all implementation levels (individual, institutional and enabling environment) does not become a barrier to implementing the 2015 agreement, with the following functions:</p> <ul style="list-style-type: none"> ▪ Measurement, reporting and verification of support received for capacity-building against needs identified by Parties ▪ Provision for the critical assessment of implementation of the effectiveness of capacity-building interventions ▪ Facilitation of the effective implementation at national and regional levels in line with the existing framework for capacity-building in developing countries ▪ Provision of normative guidance to the Convention on capacity-building related issues to inform other mechanisms under the Convention ▪ Ensuring coherence between institutions and adequate provision of support 	<ul style="list-style-type: none"> ▪ Capacity-building support to build on and enhance existing arrangements, such as the Durban Forum on capacity-building ▪ Bodies established under the Convention to intensify their work relating to capacity-building ▪ The framework for capacity-building in developing countries to be enhanced
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498 • Establish regional centres for capacity-building

499 • Clear linkage between capacity-building and mechanisms established under the Convention such as those for
500 adaptation, mitigation, finance and technology to be defined in the 2015 agreement

501 **Support for capacity-building**

502 • Importance of the role and potential of the private sector in supporting capacity-building

503 • Importance of the operating entities of the financial mechanism, including the GCF, for capacity-building

504 • Enhanced coordination among donors and institutions required for the effective delivery of capacity-building

505 • Provision of capacity-building support through the GCF:

506 ○ A dedicated funding window under the GCF

507 ○ No dedicated funding window under the GCF is required as the GCF's governing instrument clearly
508 states that capacity-building is part of the GCF's mandate

509 **Complementary decisions**

510 • New institutional arrangements to be established by the agreement

511 • Durban Forum to be referred to generally in the agreement with details in COP decisions to ensure flexibility

- 512 • Specific agreements on capacity-building support should be included in COP decisions

513 **VIII. Transparency of action and support**

514 **General**

515 *Scope of transparency framework*

- 516 • Transparency framework to encompass:
- 517 ○ Mitigation, adaptation, finance, technology and capacity-building
 - 518 ○ Accounting
 - 519 ○ Compliance
 - 520 ○ General rules regarding ex-ante consultation and ex-post international analysis/multilateral assessment

521 *Purpose and general parameters*

- 522 • The MRV system is to:
- 523 ○ Be under the Convention and guided by its principles and provisions
 - 524 ○ Build on existing arrangements
 - 525 ■ Benefit from ongoing work related to MRV in the Subsidiary Body for Implementation (SBI), the
 - 526 Subsidiary Body for Scientific and Technological Advice (SBSTA) and other relevant bodies
 - 527 ○ Be efficient and flexible to promote ambition and enhance mutual trust
 - 528 ○ Be tailored to diverse commitments
 - 529 ○ Evolve over time; different types of commitments will require adaptable methodologies
- 530 • Link between MRV of action and MRV of support:
- 531 ○ Enhanced actions of non-Annex I Parties to be operationally linked to the MRV of the provision of
 - 532 support by Annex II Parties; transparency of support by developed countries to be strengthened first to
 - 533 inform action by developing countries
 - 534 ○ Both MRV of action and MRV of support to be enhanced

535 *Support for transparency*

- 536 • Need for support, including capacity-building at the national level, for implementing transparency
- 537 requirements

538 **Transparency of action**

539 *Nature and parameters of transparency of action*

- 540 • All Parties participate in a transparency framework that is:

<p>Differentiated between developed and developing country Parties, in accordance with Articles 4 and 12:</p> <ul style="list-style-type: none"> ▪ Annex I Parties to be subject to enhanced MRV for comparability, building on national communications (NCs), biennial reports (BRs), and international assessment and review (IAR), e.g. more frequent reporting, standardized format, common accounting framework with common base year and expressed in tonnes of CO₂ eq, projections of emission trajectories/pathways ▪ Non-Annex I Parties use existing MRV procedures – NCs, biennial update reports (BURs), and international consultation and analysis (ICA). 	<p>A single system with a single set of agreed guidelines for all Parties with flexibilities through procedures/ processes such as different complexities/tiers, timelines and frequency where capabilities allow, and through application of different MRV rules according to the types/range of commitments/contributions</p>	<p>One single system from 2020</p>
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- 541 ○ Using GHGs as basis, reporting following IPCC guidelines, complying with accounting rules, with all
542 Parties subject to international review
- 543 ○ Use of common metrics to address the diversity of commitments/contributions

544 *Accounting*

- 545 • Accounting rules to apply in accordance with decisions to be adopted by the COP (see section II for
546 proposals related to accounting)³

547 *Areas of further enhancement*

- 548 • MRV for developed countries to be improved by including adaptation reporting in biennial reports
- 549 • MRV of developing countries to be improved by including more detailed information on GHG inventories
550 and GHG projections

551 **Transparency of support**

552 *Nature and parameters of transparency of support*

- 553 • All Parties to participate in a transparency framework with:

<p>Requirements to be differentiated in accordance with Article 12:</p> <ul style="list-style-type: none"> ▪ Developed countries to enhance MRV of support, based on NCs, BRs, IAR and KP rules, using common templates for all developed countries ▪ Developing countries to provide information on support received and its use ▪ Providing for differentiation in reporting and common international review of reports and avoiding imposing onerous burdens on developing countries with respect to support received for adaptation, capacity-building as well as access and adoption of appropriate technology 	<p>One common system of MRV of support</p>
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- 554
- 555 • MRV of support is to:
- 556 ○ Include support provided and received:
- 557 ▪ Including delivery, use and impact of support
- 558 ▪ Building trust between contributors and recipients and placing greater emphasis on effectiveness
- 559 ▪ Without imposing onerous reporting burdens or any kind of conditionality on developing countries for
560 accessing necessary support
- 561 ○ Include rules and mechanisms on MRV of all types of support received in comparison with the needs
562 expressed and identified by developing country Parties
- 563 ○ Ensure harmonization and coordination of existing data systems
- 564 ○ Address the need for comparable information, building on the existing MRV system, including NCs, BRs,
565 BURs and IAR/ICA in the form of, inter alia, standardized reporting formats, common metrics and
566 detailed information on the source and recipient of support
- 567 ○ Recognize special circumstances of countries
- 568 ○ Allow for the evolution of countries within the system
- 569 ○ Ensure that commitments on support are implemented and complied with

570 *Accounting*

- 571 • Define common accounting rules for commitments and an accounting mechanism for support based on
572 common templates for developed countries/Annex II Parties

³ Lines 117-124 above.

573

Areas of further enhancement

574

- Strengthen provisions for MRV of financing, meeting costs of adaptation, development and transfer of technology, and capacity-building provided by developed country Parties to developing country Parties for all climate change activities

575

576

577

- MRV to be improved by including more detailed information on South–South cooperation

578

Specifics on MRV of support

579

Finance:

580

- Need for definition of climate finance and clarity on what type is most appropriate for what action

581

- Reporting requirements for finance should be commensurate with reporting requirements for mitigation

582

- Need for accounting rules for climate finance, including for the private sector

583

- Need for robust verification system, improved for all sources, based on annual reporting on delivery of climate finance

584

585

- Need to ensure that there is no double counting of financial support and inconsistencies in climate finance data are addressed; including through information on:

586

587

- Levels of financing, what financing is used for, which countries are benefiting, and whether funds are new and additional

588

589

- Sources, scale, channels, and instruments

590

- Enabling environments

591

- Private and South-South flows

592

- Results achieved with support

593

- As outlined in the MRV proposal by Ecuador (FCCC/AWGLCA/2012/CRP.1)

594

Technology:

595

- TEC to work on MRV of technology support

596

Capacity-building:

597

- Clear definition of capacity-building activities and contributions

598

- Effectiveness of capacity-building support to be measured based on impact and knowledge created within countries and against clear performance indicators at the national level, by a capacity-building committee; MRV of support received for capacity-building against needs identified by Parties, and assessment of the effectiveness of implementing capacity-building activities including clear performance indicators at the international level

599

600

601

602

- MRV to be supported by the Durban Forum on capacity-building and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention

603

604

- Transparency of reporting on capacity-building to be enhanced through revising MRV guidelines and capacity-building chapters in national communications and biennial reports

605

606

Complementary decisions

607

- Capture key elements and provide general guidance in the 2015 agreement, and establish/launch, through COP decision(s), work programme(s) to further develop detailed operational modalities and guidelines in order to accommodate the evolving nature of the transparency framework and ensure durability

608

609

610

- COP to provide further guidance and to ensure that the transparency system of support reflects progress, including by the SCF and other international fora

611

612

613 **IX. Cycle of commitments/contributions⁴**

614

General

615

- Commitments/contributions to be time-bound and be renewed in a cycle under the 2015 agreement

⁴ With regard to intended nationally determined contributions to be communicated according to decision 1/CP.19, paragraph 2, see ADP.2014.7.DraftText.

- 616
- The purpose of the cycle is to:
 - 617 ○ Lead to formalization and effective implementation and delivery of commitments/contributions
 - 618 ○ Enable an upward spiral of ambition over time
 - 619 ○ Facilitate participation of all Parties and incentivize those Parties who have not yet submitted their
 - 620 intended nationally determined contributions (INDCs) to do so
 - 621 ○ Determine what is needed to further enhance the implementation of the Convention
 - 622 • The cycle is to be:
 - 623 ○ Informed by science and evidence-based, in particular based on IPCC assessments and periodic reviews
 - 624 ○ Inclusive, consultative, facilitative and supportive, non-prescriptive, non-intrusive and non-punitive
 - 625 ○ In accordance with Article 4, paragraph 2(d), of the Convention
 - 626 • With regard to mitigation the cycle is to consider the:
 - 627 ○ Aggregate commitments/contributions and their adequacy and fairness in response to science
 - 628 ○ Progress towards the below 2/1.5 °C goal
 - 629 • With regard to adaptation the cycle is to consider the effectiveness or impacts of the adaptation contributions
 - 630 • With regard to means of implementation the cycle is to regularly assess progress on technical and financial
 - 631 support and resources needed to achieve the below 2 °C goal, and update collective finance targets/pathways
 - 632 over time to be mobilized by developed country Parties and other Parties in a position to do so, based on
 - 633 developing country needs or in proportion with action to be taken
 - 634 • With regard to transparency, the cycle is to include an ex-post assessment to refine the MRV system
 - 635 ○ The cycle is to include commitments/contributions of all Parties
 - 636 • Different forms of assessment and review and of compliance for different types of commitments

637 *Approach*

- 638 • A principle-based reference framework, including
 - 639 ○ Quantification of global carbon budget for Annex I Parties at the start of any commitment period to meet
 - 640 the agreed global goal
 - 641 ○ Party submission of proposals for fairness indicators
 - 642 ○ Consideration and assessment
- 643 • An international review mechanism with compliance elements
- 644 • A mechanism to periodically review commitments/contributions based on science and respective capacities
- 645 • A dynamic, flexible and robust mechanism to raise ambition of commitments/contributions over time
- 646 • A regular/periodic assessment, including a built-in process to monitor how commitments are being
- 647 implemented

648 *Steps*

- 649 • The cycle for commitments/contributions includes:
 - 650 ○ Communication
 - 651 ○ Ex ante process or consultations
 - 652 ○ Formalizing/inscription
 - 653 ○ Review
 - 654 ○ Compliance

655 **Communication**

- 656 • Parties communicate their INDCs towards achieving the objective of the Convention as set out in its Article 2
- 657 in a manner that facilitates the clarity, transparency and understanding of those contributions
- 658 • Information to be provided in accordance with relevant COP decisions
- 659 • Submissions to be made publicly available on the UNFCCC website and compiled into a miscellaneous
- 660 document

661 **Ex-ante process**

662 *Objective*

- 663 • Contributions/proposed commitments to be considered in order to:
- 664 ○ Facilitate transparency, clarity, understanding, and comparability of contributions
- 665 ○ Understand contributions in terms of ambition and fairness and in the context of a country's long-term
- 666 decarbonization pathway
- 667 ○ Assess the adequacy of aggregated contributions and compare with science
- 668 ○ Address deficits in light of the ambition required

669 *Modalities*

- 670 • Modalities for the ex-ante process could include:
- 671 ○ Secretariat to 'compile' a technical paper assessing the effect of all contributions, the level of ambition,
- 672 fairness and the gap
- 673 ○ A technical summary and a list of countries that have not submitted a contribution
- 674 ○ A technical assessment to follow the communication of initial contributions
- 675 ■ Individual assessment of each Annex I Party contribution to the goal including adequacy and fairness
- 676 consideration
- 677 ■ Aggregate assessment of total contribution from non-Annex I Parties and consideration of: extent and
- 678 availability of support from Annex II Parties to non-Annex I Parties; non-Annex I Parties' additional
- 679 ambition after ex-ante consideration of level of available support from Annex II Parties; adequacy and
- 680 fairness as part of the principle based reference framework
- 681 ○ A technical body/panel to:
- 682 ■ Undertake analytical work
- 683 ■ Examine the adequacy and fairness of contributions/proposed commitments communicated by Parties
- 684 ■ Prepare a report for consideration by [x]
- 685 ○ Establish a joint SBI/SBSTA programme to prepare recommendations for the COP
- 686 ○ Consultative phase to consider commitments, also for latecomers:
- 687 ■ An opportunity for Parties to present their contributions and allow other Parties to pose clarifying
- 688 questions
- 689 ○ Workshops and/or roundtables, with a questions and answers phase, including comments or questions by
- 690 the public, which Parties will consider before submitting their final commitments
- 691 ○ All information from the technical process to be made publicly available
- 692 • On the basis of the ex-ante process:
- 693 ○ Parties will consider the recommendations of the technical assessment
- 694 ○ Parties may revise their contributions on a voluntary basis
- 695 ○ Parties may be allowed exceptional adjustments in case of force majeure or if subsequent rules differ
- 696 substantially from the Party's assumptions
- 697 ○ Parties will adjust their contributions upwards, with no backsliding allowed
- 698 ○ There will be a top-down adjustment based on a global carbon budget
- 699 ○ Undertake an adjustment procedure, without the need for ratification (from second period/cycle onwards)

700 *Timing*

- 701 • Contributions/proposed commitments to be assessed through a 12-month review after submission of
- 702 commitments followed by a technical review every five years
- 703 • International assessment and/or consideration:
- 704 ○ In the year in which the INDCs are communicated
- 705 ○ Launched in the year after INDCs have been communicated
- 706 ○ To be initiated after a double threshold, for example a certain number of Parties and percentage of global
- 707 emissions, has been reached

708 **Formalizing/inscription of contributions/commitments**

- 709 • Contributions/commitments to be formalized/inscribed:
- 710 ○ In an annex/in attachments to the agreement, as an integral part of the agreement
- 711 ○ In national schedules
- 712 ▪ To be an integral part of the agreement
- 713 ▪ To be housed separately from the agreement
- 714 • Ratification required only once
- 715 ○ Contributions/commitments to be finally inscribed upon ratification, after provisional inscription
- 716 ○ Simplified procedure for formalizing/inscribing future contributions/commitments, for example an
- 717 adjustment procedure

718 **Review**

719 *Objective*

- 720 • Quantify global mitigation actions towards a global goal and ensure that the mitigation efforts are adequate
- 721 and are increased over time and that the below 2/1.5 °C goal is met in an equitable and fair manner in
- 722 response to science
- 723 • Parties to report on progress on implementation of commitments as they are being implemented, including on
- 724 their unrealized mitigation potential
- 725 • A review of commitments/contributions to be:
- 726 ○ Applicable to all Parties
- 727 ○ Based on the ambition review mechanism of the second commitment period of the KP
- 728 ○ A periodic science-based review in future time periods
- 729 ○ An ongoing process throughout implementation
- 730 ○ Built on the existing MRV system
- 731 ○ Built on the 2013-2015 review

732 *Timing*

- 733 • Mid-term review
- 734 ○ A review should be carried out:
- 735 ▪ At the middle of a cycle to measure overall progress and raise ambition
- 736 ▪ Every 10 years
- 737 ▪ Every 5 years, with a full review every 10 years
- 738 • Ex-post review
- 739 ○ Parties to report ex post, that is, at the end of each cycle

740 **Compliance**

741 *General*

The 2015 agreement to include an effective/robust compliance mechanism	A compliance mechanism may not be needed but the 2015 agreement should: <ul style="list-style-type: none"> ▪ Strengthen the approach under the existing MRV framework in a single review process and/or gain experience of international consultation and analysis/international assessment and review ▪ Focus on ways to incentivize participation and implementation
--	--

742 *Purpose and scope*

- 743 • The purpose of any compliance mechanism is to:

Facilitate and promote implementation of international	Both facilitate implementation and ensure compliance	Ensure compliance with international commitments for all
--	--	--

commitments for all or specified Parties		or specified Parties
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- 744
- A compliance mechanism is also to:
 - Promote transparency, comparability of efforts, environmental integrity and equity, and build trust,
 - Signal stability and predictability to private sector through effective implementation
 - Take into account CBDR-RC and social and economic conditions
 - Be tailored to the commitments taken on by Parties
 - Any compliance mechanism is to cover some or all of the thematic areas of: mitigation, adaptation and means of implementation, in particular to ensure compliance by developed country Parties with their financial obligations for mitigation, adaptation, transfer of technology and capacity-building and MRV, each of which should be addressed in a different manner:

753 *Institutions and structure*

- 754
- The institutions and structure of a compliance mechanism is to:

Be based on the KP compliance mechanism (including an enforcement branch and/or a facilitative branch)	To be developed, for example, new institutions and structures that could include various platforms
--	--

755 *Nature and modalities*

- 756
- A compliance process is to be:
 - Consultative, facilitative and non-threatening
 - Based on climate justice
 - A compliance mechanism is to include:
 - Triggers to commence a compliance procedure
 - Consequences/measures:
 - Ranging from assistance/facilitative measures to sanctions/compelling measures
 - Consequences for Annex I Parties and incentives for non-Annex I Parties
 - A compliance assessment at end of commitment period, as well as early warning during the period

765 **Complementary decisions**

- 766
- Central steps and essential characteristics of the cycle to be included in the agreement, with details to be elaborated in decisions
 - Essential elements of, and guiding principles for, a compliance mechanism could be included in the 2015 agreement, with details to be elaborated in decisions

770 **X. Relationship with other organizations and actors**

- 771
- Regularize participation of non-State actors in a stand-alone clause in the agreement, applicable to all of its provisions
 - On adaptation the agreement should strengthen the linkages with organizations and institutions outside the Convention, in particular the private sector
 - Enhancing cooperation and stakeholder engagement in adaptation; options to involve the private sector to be better understood and assessed and barriers to be reduced; more focus to be placed on sub-national, regional and cross-border activities and cooperation
 - Recognize and reflect the efforts of local governments, sub-regional entities, and the private sector
 - Recognize the contributions of Parties to international cooperative initiatives (ICIs) and to what extent credit can be given for actions outside a country's territory, rules regarding accounting for ICIs should be made clear
 - Enhance/catalyse ICIs and invite them to register their contribution with a view to recognizing them as a contribution to achieving the 2 °C goal
- 783

784 **XI. Procedural and institutional provisions**

785 **Institutional arrangements**

- 786 • With respect to the role of the COP, SBI, SBSTA and other bodies and mechanisms, as well as the
787 secretariat, the 2015 agreement could generally:
- 788 ○ Build on/link to existing institutions and mechanisms to avoid duplication and ensure coherence
 - 789 ○ Mirror institutional provisions of the KP with respect to the COP, secretariat and SBI/SBSTA, including
790 clarifying that the SBI/SBSTA will serve the 2015 agreement

791 *Complementary decisions*

- 792 • Key aspects regarding institutional arrangements to be included in the agreement, with further elaboration in
793 decisions as necessary

794 **Procedural provisions/final clauses**

- 795 • Procedural provisions/final clauses could, in many cases, draw on standard clauses and include provisions on:
- 796 ○ Signature, ratification, acceptance, approval and accession
 - 797 ○ Entry into force:
 - 798 ▪ 2015 agreement will ‘come into effect and be implemented from 2020’ – avoid a ‘you go first’
799 situation
 - 800 ▪ Be neither under nor over inclusive
 - 801 ○ Participation of regional economic integration organizations
 - 802 ○ Amendment procedures, including use of simplified procedures
 - 803 ○ Adoption and amendment of annexes
 - 804 ○ Transitional arrangements/provisions, including potential prompt start, early application, provisional
805 application or so called ‘fast-start provisions’
 - 806 ○ Settlement of disputes
 - 807 ○ Voting
 - 808 ○ Depositary
 - 809 ○ Reservations
 - 810 ○ Withdrawal
 - 811 ○ Authentic texts
- 812 • The 2015 agreement to also include definitions
- 813 -----