

## Working document

### [Section D - Mitigation]

Version of 7 September 2015@14.00

#### *Main observations:*

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

#### *Elements of the ADP outcome on mitigation<sup>1</sup>:*

- Elements with broad support to be included in the ADP outcome:
  - Collective efforts;
    - In considering Collective Efforts, based on the text contained in Article 3 of Part I of the Co-Chairs' Tool, the group identified three concepts contained in this article: 1) a collective commitment (e.g. all Parties shall or should enhance mitigation efforts, make individual efforts, cooperate); 2) differentiation (e.g. references to Article 4 of the Convention, CBDR&RC, equity, groups of Parties, support); and 3) a direction of travel (e.g. references to the long term temperature limit, achieving long-term emissions reductions, global peaking of emissions as soon as possible, an emission budget, climate neutrality by the end of the century, reflecting latest science and zero net emission pathways).
    - Some Parties considered that a collective commitment would apply equally to all Parties and, therefore, no references to differentiation are required. Other Parties saw this collective commitment as a framing provision and, therefore, would require a reference to differentiation. A few Parties were of the view that there is no need to include a provision on collective efforts in the ADP outcome and that the individual commitment for each Party is sufficient.
    - With regards to the direction of travel, some Parties noted that the long term temperature limit is relevant for other sections and, therefore, should be contained in the general/objective section (section C). Other Parties expressed the view that the general objective should be further

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<sup>1</sup> Numbering of provisions reflects the numbering in the Co-Chairs' Tool of 24 July (ADP.2015.4.Informal Note, annex II, available at <http://unfccc.int/6911.php?preref=600008595>).

operationalized by a mitigation-specific objective. That mitigation-specific objective would address quantifiable aspects such as, for example, peaking of emissions, an emissions budget, GHG neutrality or carbon neutrality. A few Parties indicated that some of the options for the direction of travel are not well understood and would need to be defined.

- One Party made a proposal to use the collective effort as a chapeau for the individual effort.
- Individual efforts;
  - The informal meeting on differentiation worked to identify the different ways for expressing differentiation with regard to individual efforts. The informal meeting worked on a table, the final version of which is appended as [appendix 1] to this section of the Working Document.
  - The facilitated group considered other aspects of individual efforts not addressed in the informal meeting. First, it identified two approaches to individual efforts: the individual effort relates to mitigation, adaptation and support and would thus have to be addressed in the general section; or, the individual effort is mitigation-focused and should therefore be addressed in the mitigation section. In this view, there would also be individual efforts as to adaptation and support.
  - Many Parties referred to the need to specify the core obligation of mitigation through verbs such as prepare, communicate, implement, maintain, report and achieve or fulfil mitigation [commitments] [contributions] [actions]. A few Parties indicated they would not agree with the verbs maintain and fulfil.
  - One Party noted that if all Parties to the new agreement have an obligation to maintain a contribution at all times, participation in the new agreement may not be universal. Several Parties noted the importance of differentiation and equity for individual efforts. One Party made a proposal for a specific Annex.
  - Many Parties noted the importance of individual efforts being expressed as specific to mitigation. Many groups/Parties noted that key features to be captured in the draft agreement would need to include: “quantifiability” (with some Parties saying this should not be mandatory); comparability; “aggregability”; that each contribution would need an unconditional element (with some Parties noting not all Parties would be able to do this); a long term trajectory (with some Parties noting this should be addressed later in decisions); and binding upfront information (with other Parties saying this should be addressed in the transparency section). Some Parties noted that the Governing Body should further outline these features.
  - Many Parties noted that the agreement should address the issues of housing, timeframes/update of commitments as well as accounting in the context of mitigation.
- Ambition and progression;
- Implementing jointly;
  - The facilitated group endorsed the proposal developed in the informal meeting on implementing jointly to retain the first concept contained within Article 5 of Part I of the Co-Chairs’ Tool, which states that *“Parties, including regional economic integration organizations and their member States, may prepare, communicate and [/or] implement [their] mitigation [commitments][contributions][actions] jointly”*. Some Parties noted this will need further operationalization based on the language currently in Part III of the Co-Chairs’ Tool. Parties agreed that the other concepts contained in Article 5 of Part I of the Co-Chairs’ Tool relating to cooperative arrangements should be kept separate.
- Flexibility for LDCs/SIDS.
- Elements whose inclusion requires further consideration:
  - Markets;
    - This informal meeting on markets primarily addressed paragraphs 9 and 78 of Part II and Articles/paragraphs 14-19 of Part III of the Co-Chairs’ Tool. The report of the facilitator for this informal meeting is appended as [appendix 2] to this section of the Working Document.
    - In addition, after the report to the facilitated group, one Party requested the Co-Facilitators to consider including non-market mechanisms, noting that REDD plus activities are a non-market

mechanism. Another Party noted that the informal meeting focussed on the need for a provision in the agreement relating to transfer of mitigation outcomes and the need to manage such transfers that in manner that enhances environmental integrity.

- “Non-markets” (Joint Mitigation and Adaptation Approaches and Cooperative Mechanism (Sustainable Development));
  - The informal meeting on this element primarily addressed paragraphs 10 and 29 of Part II, and Article/paragraph 20 of Part III of the Co-Chairs’ Tool. The consolidated report of the facilitator for this informal meeting is appended as [appendix 3] of this section of the Working Document.
- Actions in the Land Use Sector and REDD plus activities’;
  - The informal meeting on this element primarily addressed Article/paragraph 21 of Part III, and paragraphs 11 and 12 of Part II of the Co-Chairs’ Tool. The report of the facilitator of this informal meeting is appended as [appendix 4] of this section of the Working Document.
- Response Measures;
  - The informal meeting on this element primarily addressed Article/paragraph 25 of Part III of the Co-Chairs’ Tool. The informal meeting worked on a summary of aspects. That summary, as modified by the facilitated group, is appended as [appendix 5] to this section of the Working Document.
- International Transport.

### *Decisions*

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

## Appendix 1

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

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

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

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

Housing of [commitments][contributions][actions]

Design features

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

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

<sup>2</sup> The ways are not mutually exclusive, but aiming to present ways to reflect differentiation of individual efforts on mitigation.

<sup>3</sup> This list is not comprehensive and only lists one example for each way of expressing differentiation.

<sup>4</sup> The degree of nuance depends on the choice of modulators

<sup>5</sup> Some read national schedules as implying differentiation through national determination; others read it as all Parties have the same type of CCA, a schedule.

<sup>6</sup> Some read references to Article 4 as a whole as implying differentiation based on categories. Others that references to Article 4.1 only is undifferentiated.

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

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

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<sup>7</sup> Modulators could be used to constrain or modify any of the ways above. The list is not comprehensive. Not all modulators apply to all the ways to express differentiation.

## Appendix 2

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

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

### Appendix 3

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

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

## Appendix 4

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

#### In relation to Land Use issues

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

#### In relation to REDD plus activities

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

Appendix 5

Summary from the informal meeting on response measures for the facilitated group on Mitigation

I. Agreement:

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

Decision:

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

II. No text

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