

APA agenda item 8

Further matters related to implementation of the Paris Agreement:

- (a) Preparing for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
- (b) Taking stock of progress made by the subsidiary and constituted bodies in relation to their mandated work under the Paris Agreement and section III of decision 1/CP.21, in order to promote and facilitate coordination and coherence in the implementation of the work programme, and, if appropriate, take action, which may include recommendations

Informal Note by the Co-Chairs

Final Iteration (14 November 2017@16:30 hrs)

This Informal Note has been prepared by the Co-Chairs of the negotiations on this agenda item under their own responsibility, on the basis of the deliberations by Parties at this session and the views they have submitted. This Informal Note is preliminary and should not be considered as final in any way; they are offered as a basis for work and do not prejudice further work or prevent Parties from expressing their views at any time. It is recognized that the outcome of deliberations on this item will form part of the overall outcome under the Paris Agreement Work Programme.

I. Introduction / mandate / purpose

At the second part of the first session of the Ad-hoc Working Group on the Paris Agreement (APA 1.2), Parties identified nine possible additional matters relating to the implementation of the Paris Agreement, which some Parties were of the view are not yet being addressed under the Paris Agreement Work Programme (possible additional matters). Parties noted the list of possible additional matters contained in the annex to the Informal Note¹ issued by the Co-Chairs during the Marrakech Conference has no particular status. There was a common understanding among Parties that some of these are mandated issues for the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) to address.

Parties recalled that at the first part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1.1), the CMA referred to the Subsidiary Body for Implementation (SBI), at its forty-seventh session (SBI 47), two of the possible additional matters² that were identified by Parties at APA 1.2.

At the third part of the first session of the Ad-hoc Working Group on the Paris Agreement (APA 1.3), Parties continued consideration of the list of possible additional matters and recommended a way forward on two more possible additional matters as contained in the report on APA 1.3.³

¹ The possible additional matters identified by Parties are contained in the annex II to the Informal Note issued by the Co-Chairs during the Marrakech Conference, and available at:

http://unfccc.int/files/meetings/marrakech_nov_2016/in-session/application/pdf/apa_item_8_informal_note_by_co-chairs_v02.pdf.

² See paragraph 9 of the report of CMA 1.1 available at:

<http://unfccc.int/resource/docs/2016/cma1/eng/03a01.pdf>.

³ See FCCC/APA/2017/2, paragraphs 29 and 30, available at:

<http://unfccc.int/resource/docs/2017/apa/eng/02.pdf> and the Informal Note by the APA Co-Chairs issued

At the Informal Consultations held at the fourth part of the first session of the Ad-hoc Working Group on the Paris Agreement (APA 1.4), Parties have so far discussed the following possible additional matters, namely:

- a) Modalities for biennially communicating finance information on the provision of public financial resources to developing countries in accordance with Article 9, paragraph 5;
- b) Initial guidance by the CMA to the operating entities of the Financial Mechanism (GCF & GEF) under Article 9, paragraph 8, and decision 1/CP.21, paragraphs 58 and 61 to 63;
- c) Initial guidance by the CMA to the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) in accordance with decision 1/CP.21, paragraph 58;
- d) Guidance by the CMA on adjustment of existing Nationally Determined Contributions (NDCs) under Article 4, paragraph 11; and
- e) Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53.

Each of these possible additional matters was discussed in light of the following three guiding questions posed by the Co-Chairs in their Reflection Note⁴:

- a) Is preparatory work on this matter currently being undertaken? If so, where?
- b) If there is no preparatory work being undertaken on this matter, is preparatory work required, and if so, by which body?
- c) What should be the timeframe for this work?

Parties also considered further questions posed by the Co-Chairs specific to each of the possible additional matters by Parties. These questions are contained in a Note⁵ published on the UNFCCC website by the secretariat on 7 November 2017 and are outlined in the subsequent section.

II. General elements

- a. Modalities for biennially communicating finance information on the provision of public financial resources to developing countries in accordance with Article 9, paragraph 5 of the Paris Agreement

With respect to the possible additional matter “Modalities for biennially communicating finance information on the provision of public financial resources to developing countries in accordance with Article 9, paragraph 5,” Parties also considered the following additional questions posed by the Co-Chairs:

1. What are those specific additional procedural matters concerning Article 9, paragraph 5, that are not being addressed by the COP under its agenda item 10(f)?
2. What is the appropriate forum for considering these additional procedural matters?

During the discussions, Parties noted that the COP, under item 10(f) of the agenda of COP 23, is considering the “Process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement.”

during APA 1.3, available at: http://unfccc.int/files/meetings/bonn_may_2017/in-session/application/pdf/apa_informal_note_by_the_co-chairs_item_8ab_final_version_2017.05.17.pdf.

⁴ See Reflections Note by the Co-Chairs, dated 16 October 2017, available at: <http://unfccc.int/resource/docs/2017/apa/eng/3infnot.pdf>.

⁵ See Note by the Co-Chairs, dated 7 November 2017, available at: http://unfccc.int/files/bodies/apa/application/pdf/co_chairs_additional_questions.pdf.

Some Parties were of the view the Paris Agreement is already a carefully crafted and balanced Agreement and this balance is respected by the current agenda items on the Paris Agreement Work Programme, in particular the fact that a large number of climate finance related matters are being addressed across the work of all bodies. They noted that the COP is the place for discussion on all matters relating to Article 9, paragraph 5, of the Paris Agreement.

Other Parties were of the view that the modalities for communicating finance information under Article 9, paragraph 5, are of critical importance for developing countries. They were also of the view that consideration of the modalities, including on methodologies, assumptions, common reporting format and timeframes, for communicating such information in a format that is comparable and aggregable could be undertaken by the APA.

Some Parties referred to a submission⁶ containing their views for the outcome of work on this additional matter, which highlighted that the operationalization of Article 9, paragraph 5, of the Paris Agreement is an important element of the comprehensive outcome of the work of the APA.

Possible way forward: Parties have identified the following options as ways forward on this possible additional matter:

- Option 1: Conclusion of the COP's consideration on its agenda item 10(f) would provide clarity for the APA's consideration of this matter. Based on the outcome of COP 23's work, the APA could conclude its consideration of this possible additional matter or the APA could continue discussions in 2018;
 - Option 2: The APA could recommend to the COP that the APA be mandated to define modalities for biennially communicating information on the provision of public financial resources to developing countries, in accordance with Article 9, paragraph 5, of the Paris Agreement, with a view to making recommendations for consideration and adoption at CMA 1.
 - Option 3: There is no additional matter concerning Article 9, paragraph 5, of the Paris Agreement that needs to be addressed, beyond the work currently being undertaken by the COP
- b. Initial guidance by the CMA to the operating entities of the Financial Mechanism – Green Climate Fund and Global Environment Facility, under Article 9, paragraph 8 of the Paris Agreement, and decision 1/CP.21, paragraphs 58, 61–63.

Regarding the possible additional matter “Initial guidance by the CMA to the operating entities of the Financial Mechanism (GCF & GEF) under Article 9, paragraph 8, and decision 1/CP.21, paragraphs 58 and 61 to 63”, Parties also considered the following additional questions posed by the Co-Chairs:

1. When should the mandate be issued to the SCF to prepare the draft guidance to the GEF and GCF for consideration by the CMA? And what considerations have you taken into account in proposing this timing?
2. Which governing body should issue this mandate to the SCF? The COP or the CMA?
3. What could be the timeline for the SCF to complete its work on this initial draft guidance for adoption by the CMA?

⁶ This submission is available at the following link: http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/article_9.5_crp_draft_decision_text_.pdf

Parties recognized that the legal and procedural mandates for the provision of guidance by the CMA to the operating entities of the Financial Mechanism are contained in the Paris Outcome in decision 1/CP.21. Parties also noted the interlinkages with the work of the COP on matters relating to climate finance and guidance to the operating entities of the Financial Mechanism, which could provide clarity on the specific guidance to be provided by the CMA on financial arrangements for the implementation of the Paris Agreement.

Parties had a shared understanding that the Standing Committee on Finance (SCF) is the appropriate body to prepare the draft guidance to the operating entities of the Financial Mechanism on implementation of the Paris Agreement for consideration and adoption by the CMA. Parties were of the view the mandate to the SCF should be triggered by the CMA at a later stage after adoption of the Paris Agreement Work Programme outcome.

Possible way forward: The APA could recommend to the CMA, through the COP, that the SCF be mandated to prepare the draft guidance to the operating entities of the Financial Mechanism at a future date (e.g. at CMA 1 or CMA 2) after the adoption of the Paris Agreement Work Programme outcome.

- c. Initial guidance by the CMA to the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) in accordance with decision 1/CP.21, paragraph 58.

On the possible additional matter “Initial guidance by the CMA to the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) in accordance with decision 1/CP.21, paragraph 58,” Parties also considered the following additional questions posed by the Co-Chairs:

1. When should the mandate be issued to the SCF to prepare the draft guidance to the LDCF and SCCF for consideration by the CMA? What factors are relevant to your views on timing?
2. Which governing body should issue this mandate to the SCF? The COP or the CMA?
3. What could be the timeline for the SCF to complete its work on this initial draft guidance for adoption by the CMA?

Parties noted the interlinkages with the work of the COP on matters relating to climate finance, as well as the work of the SBI on matters relating to the least developed countries.

Parties understanding expressed the view that the draft guidance to the LDCF and SCCF would focus on issues of relevance to the Paris Agreement (e.g. on NDCs). Some Parties expressed the view that any guidance to the LDCF and SCCF would be provided in the context of draft guidance to the GEF, as is current practice. Other Parties were of the view that the SCF should be the body to prepare the draft guidance for consideration by the CMA, as stated at APA 1.3. Other Parties were of the view that the SBI would be the appropriate body to do so and that the mandate to the SBI to prepare the draft guidance (for conclusion at its fiftieth session) could be triggered at CMA 1.

Possible way forward: The APA could recommend to the CMA, through the COP, that CMA 1 could mandate the SBI to prepare the draft guidance to the LDCF and the SCCF and conclude this work at its fiftieth session. Parties, however, have asked for time to consider this suggestion.

- d. Guidance by the CMA on adjustment of existing Nationally Determined Contributions (NDCs) under Article 4, paragraph 11, of the Paris Agreement

On the possible additional matter “Guidance by the CMA on adjustment of existing Nationally Determined Contributions (NDCs) under Article 4, paragraph 11, of the Paris Agreement”, Parties also considered the additional questions posed by the Co-Chairs:

1. Which subsidiary body could be mandated to take this work forward to prepare draft guidance for consideration and adoption by the CMA?
2. What could be the timeline for work on this matter to be completed for the CMA to adopt this guidance?

Parties noted the interlinkages between this additional matter and the work currently being undertaken by APA agenda item 3: “Further guidance in relation to the mitigation section of decision 1/CP.21” and SBI agenda item 6: “Development of modalities and procedures for the operation and use of a public registry referred to in Article 4, paragraph 12, of the Paris Agreement”.

Parties noted that while the Paris Agreement mandated the CMA to adopt guidance on the adjustment of NDCs, it did not state the timeline for the CMA to adopt such guidance or that guidance specific to Article 4, paragraph 11, could be required at all in view of the interlinkages with other items. Conclusion of work by the two subsidiary bodies on the above agenda items would provide clarity for the CMA’s consideration of this matter. Some Parties were also of the view that it is not within the mandate of the CMA to give guidance on NDCs, as these are nationally determined, and any CMA guidance on adjustment of NDCs should be limited to operational or procedural aspects.

Some Parties were of the view it would be premature to initiate discussions at this stage and this issue could be considered by the CMA at a later session after the adoption of the Paris Agreement Work Programme outcome.

Possible way forward: The APA could recommend to the CMA, through the COP, to consider this matter at a future date after the adoption of the Paris Agreement Work Programme outcome.

- e. Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53

On the possible additional matter “Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53”, Parties were invited by the Co-Chairs to consider one additional question:

1. At such time as the work to set a new collective goal is initiated, which body should be mandated to take this work forward?

Some Parties noted the interlinkages between this additional matter and ongoing work under the UNFCCC process, such as the work of the COP on long-term climate finance and the 2018 facilitative dialogue, as well as the work of the APA on modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement and matters relating to the global stocktake referred to in Article 14 of the Paris Agreement. Some Parties noted that work on this additional matter would benefit from the experiences of these processes and negotiations. Other Parties were of the view that there are no interlinkages with ongoing work under the UNFCCC process.

Parties recalled the shared views of Parties from APA 1.3 (May 2017) that this is an important matter and one that is mandated to the CMA. There are divergent views on the timing of work.

Some Parties noted that this matter was already included under item 3 of the agenda of CMA 1, and therefore work could be launched at CMA 1. Other Parties interpreted the footnote on the CMA 1 agenda differently and were of the view that this possible additional matter is not included on the agenda of CMA 1.

On the timing of work by the CMA, some Parties were of the view that the CMA could launch work on this possible additional matter as early as possible so that the outcome is completed in time for the CMA to set this goal in 2025. They were of the view that the APA could make a recommendation to the CMA, through the COP, to this effect. Other Parties noted there is no timeline for the CMA to launch work on this matter and that it is premature for work to be launched on this matter at this time, instead work may be launched after 2020.

Some Parties expressed the view that there is a gap with regards to “the needs and priorities of developing countries” as contained in paragraph 53 of decision 1/CP.21.

Possible way forward: The APA to continue consideration of this additional matter at its resumed session in 2018.

III. General way forward on the remaining five possible additional matters

As there was no agreement on the possible way forward on any of the remaining five possible additional matters, the APA will continue its consideration of these matters at its resumed session (APA 1.5). Some Parties have provided additional views and suggestions after the conclusion of the Informal Consultations at this session, and these will serve as input for the discussions at APA 1.5.
