

Reflections note on the fourth part of the first session of the Ad Hoc Working Group on the Paris Agreement

Note by the Co-Chairs

10 April 2018

I. Introduction

1. The Ad Hoc Working Group on the Paris Agreement (APA) completed the fourth part of its first session (APA 1.4) on 18 November 2017, in Bonn, Germany.
2. This note, prepared under our own responsibility, provides our reflections on the status of negotiations under the APA and our thoughts on moving forward, with a view to assisting Parties in their preparation for the upcoming session of the APA (APA 1.5), to take place in Bonn, Germany, on 30 April to 10 May 2018 in conjunction with the forty-eighth sessions of the subsidiary bodies.

II. What we took from November 2017

3. The year of 2017 saw a wealth of information provided by Parties through their multiple submissions of views, complemented by workshops, technical papers and non-papers as well as discussions at pre-session round tables. Parties' deliberations during the sessions resulted in a series of informal notes, allowing for an iterative build-up of content. This allowed Parties to achieve an important milestone in the work of the APA: transition from broad conceptual debates to more specific technical discussions and the elaboration of substantive elements. This transition is reflected in the growing maturity of the informal notes on APA agenda items, the stabilization of the "skeletons" or draft outlines used in the notes, and the richness of their content. Key options and critical linkages identified by Parties have become clearer across the whole spectrum of APA work. All this provides a good, solid basis for moving the negotiations forward in 2018.
4. Therefore it is our judgement that the APA is 'on track' to fulfil its mandate but, given the breadth and complexity of the topics being addressed, we need to significantly increase the pace of work. For that, another transition is needed now: from the identified substantive points/elements to full textual narratives for the proposals and options on the table. Making such a transition should allow Parties to build a basis for negotiations – this is now the single most urgent task, as 2018 is our final year of the negotiations on the Paris Agreement Work Programme. To complete the work on time, we need to collectively produce an agreed basis for negotiations that Parties could work on, through iterations, up to the end of the APA's allotted time at COP 24 in Katowice in December 2018. Our clear aim is the delivery of operational guidance on all issues, with the necessary level of granularity to ensure the Paris Agreement can function.

III. Organization of the session¹

5. In organizing the session, we intend to retain the approach used in 2017:
 - (a) The APA will continue working in a single contact group on agenda items 3–8, and the contact group will meet at least three times during the session: at an opening meeting to set the direction of work; at a mid-session meeting to assess progress and adjust guidance, if needed; and at a closing meeting to assess the results of the session and adopt conclusions;
 - (b) In addition to that, we will also convene meetings at the level of Heads of Delegations, to find ways forward if there are roadblocks and to provide an overview perspective on the APA's agenda;

¹ See also the secretariat's note with the annotated agenda for the session, FCCC/APA/2018/1.

- (c) Negotiations on each APA agenda item will continue to be facilitated by a pair of co-facilitators, one from a non-Annex I Party and another one from an Annex I Party. We aim for continuity in the co-facilitators' team as far as possible, with the list of all co-facilitators to be made available to Parties through the UNFCCC website in advance of the session;
 - (d) The same minimum number of hours of negotiating time will be allocated to each APA agenda item, including at least one two-hour slot – and we urge Parties to be punctual and efficient in using the allotted time;
 - (e) All efforts will be made to ensure no more than two negotiation meetings under the APA take place at the same time;
 - (f) “Clashes” between meetings on items with known substantive linkages will be avoided as much as possible.
6. We will guide the secretariat in meeting planning to make sure that measures are taken to maximize the use of the limited meeting time, such as assigning the same room to the meetings on related issues, within and outside the APA, and timely communication of changes in the time or venue of the meetings. We also kindly ask delegates to start and finish the meetings on time.
7. Linkages are a critical part of the big picture and decisive for determining how the whole Paris Agreement system will work together. Given the state of the negotiations and the growing maturity of the substantive material, interlinkages within and across APA agenda items are becoming clearer. We encourage Parties to continue considering interlinkages in their deliberations at the session, through coordination of their negotiating positions on items, and formulation of specific proposals on how best to manage the content where there are interdependencies, in a manner that will respect the integrity of work under each agenda item and the time allocated for them individually. Substance remains key for identifying the right approach to what belongs where and how the current placeholders would be replaced by text or cross-references to text placed elsewhere. As Co-Chairs, we will continue guiding the co-facilitators on how to manage the interlinkages, encouraging close coordination among them and, if needed, arranging for joint sessions for the deliberations on linked APA items and/or focused consultations with the Heads of Delegations on solutions for specific overarching issues. We are ready to make ourselves available for linkage-related discussions both within and outside the official negotiating time.
8. Recognizing linkages beyond the APA, we have established and will maintain close contact with the Presiding Officers of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA). Linkages will be further addressed in meetings of the Presiding Officers, before and during the session. Continuing the earlier practice, we will again consider the organization of an informal joint stock-taking plenary of the APA, SBI and SBSTA during the session.

IV. Making and recording progress

9. The use of informal notes as tools to record substantive progress proved to be helpful in 2017 and we intend to use this approach also at APA 1.5. We were pleased to see that, at APA 1.4, the consistency and coherence of those informal notes improved, while flexibility to take into account the different dynamics of deliberations under each item was retained.
10. The informal notes need to develop further during the session, towards full textual narratives for the proposals and options, so as to allow Parties to build a basis for negotiations. This is the key task for APA 1.5: only with comprehensive, coherent informal notes that reflect substantive proposals and related options will Parties be able to see the full picture, assess completeness and consistency of the approaches used for different issues, and negotiate effectively. It is our view that, in order to complete the negotiations successfully by the end of 2018, Parties will need a solid basis for negotiations before they meet the next time after APA 1.5.
11. At APA 1.4, all informal notes on individual agenda items were attached to the APA conclusions on the session.² This helped give an overview of the work and we expect Parties to retain that approach for APA 1.5.

² See FCCC/APA/2017/L.4/Add.1 (available at <<http://unfccc.int/resource/docs/2017/apa/eng/104a01.pdf>>).

V. Progressing on agenda items

12. During APA 1.4, Parties made progress on all agenda items, and this was captured in the informal notes prepared at that session. The notes should serve as a practical starting point for our deliberations at APA 1.5. We note that the elements, views or options identified in these notes do not prejudge further work or prevent Parties from expressing their views.

13. As with our earlier Reflections Notes, we provide in this section our reflections on some of the key issues for each agenda item, with the understanding that a range of other important points will of course be covered during APA 1.5. We note that specific technical information on issues deliberated under the APA is available on the UNFCCC website.³

Agenda item 3: Further guidance in relation to the mitigation section of decision 1/CP.21⁴

14. The informal note by the co-facilitators from APA 1.4⁵ captures the progress made at that session for each of the three sub-items under this agenda item,⁶ and includes a general section for features, information and accounting, respectively. It also contains a compilation of Parties' inputs on the substantive elements of information and accounting, together with different approaches for structuring these elements.

15. The discussions at APA 1.4 showed clearly that Parties have divergent views on the scope of NDCs, and on how to deal with differentiation in the guidance for features of, information on and accounting for NDCs. These differences of view resulted in alternative proposed structures and sets of substantive elements, which Parties decided to keep on the table in their entirety at this stage. The result is a lengthy informal note that captures the different views yet remains difficult to navigate or to use as a meaningful basis on which to engage and negotiate.

16. To progress, Parties need to identify opportunities to work on issues of substance within the broad headings of the mandate, while acknowledging that some overarching issues may only be resolved at a later point in the negotiations this year. In our view, however, working through the technical details should assist Parties in finding a resolution. We urge Parties to find such openings for discussion and start working on them expeditiously at APA 1.5. Much remains to be done to get from where we are to a workable basis for negotiations on this item.

17. On the features of NDCs, discussion may need to focus on outlining clear options for the further guidance.

18. On the information to facilitate the clarity, transparency and understanding of NDCs, consolidation and streamlining of the substantive elements that are already identified may be possible. The different options reflected in the informal note relate to different approaches to structuring the guidance. We suggest Parties might make initial progress by assessing how the elements within different options can be better organised and expressed more succinctly, before returning to determine the basis for structuring guidance. We also encourage Parties to explore alternative ways to work on elements and options, which could indirectly address the question of structuring.

19. On accounting, while the discussions have progressed, Parties have not yet had an opportunity to explore in-depth how to operationalize the accounting for NDCs under the Paris Agreement. At APA 1.5, Parties need

³ The webpages on APA agenda items are accessible from the APA page at <http://unfccc.int/bodies/apa/body/9399.php>.

⁴ Background information about this agenda item and its mandate is available in the annotated agenda for the session, see paragraphs 7–11 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <http://unfccc.int/bodies/apa/items/10128.php>.

⁵ Available at http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_3_informal_note_final_version.pdf.

⁶ The three sub-items are (a) Features of nationally determined contributions, as specified in paragraph 26; (b) Information to facilitate clarity, transparency and understanding of nationally determined contributions, as specified in paragraph 28; (c) Accounting for Parties' nationally determined contributions, as specified in paragraph 31.

to come to a mutual understanding of what accounting for NDCs under the Paris Agreement is, and what it is for. To that end, more clarity is needed on such questions as:

- (a) How should the principles of the Paris Agreement be reflected in accounting for NDCs?
- (b) Is accounting about principles, specific rules, some combination of both, or is it instead to be achieved through transparency?
- (c) In light of national determination and the diversity of NDCs, do targets need to be quantified as part of accounting? If so, what types of NDCs need to be quantified, in what circumstances and for what purposes?
- (d) What level of detail in the guidance on accounting is required to ensure the Paris Agreement can function effectively in line with its Article 4, paragraph 13 as well as paragraph 31 of decision 1/CP.21?

Agenda item 4: Further guidance in relation to the adaptation communication⁷

20. The final version of the co-facilitators' informal note on this item prepared at APA 1.4⁸ contains a 'skeleton' outline, with the general headings and subheadings Parties wish to see, for further guidance in relation to the adaptation communication, including, inter alia, as a component of NDCs. In the section on "relevant context", the note also addresses the issues that still need to be resolved in terms of the structure and focus of the guidance, in particular how the issue of vehicle-specific guidance should be reflected. This provides a good starting point for APA 1.5.

21. Based on the progress made, Parties may now wish to work expeditiously on developing the draft elements while paying particular attention to the following points:

- (a) Identifying any substantive elements that might be missing;
- (b) Including more details for the existing proposals where needed;
- (c) Elaborating the elements contained in the informal note into full textual proposals;
- (d) Determining how to reflect the requests to develop, on one hand, common guidance applicable to any vehicle chosen by a Party to convey their adaptation communication, and, on the other hand, vehicle-specific guidance where needed. These two do not seem mutually exclusive and we encourage Parties to find solutions that could accommodate both preferences.

22. We note that, under this agenda item, recognition needs to be given to the guidance already available, such as for reporting through national communications or national adaptation plans. Further guidance in relation to the adaptation communication should take full account of existing guidance, and should avoid introducing any inconsistency with current guidelines and procedures.

23. Parties have identified several linkages important for the work on this item: to the communication of information on support, to the transparency framework, and to the global stocktake. Parties will benefit from further clarifying these linkages and discussing options that can capture these understandings. For example, Parties have discussed various approaches with regard to the linkage to the transparency framework (APA agenda item 5), including that the same guidance could apply to both adaptation communication and the transparency framework, or that the former should provide ex-ante information, while the latter should deal with ex-post information. Given the linkages identified, we encourage Parties to look for ways to express the elements/options as succinctly as possible, and avoiding duplication. The work could benefit from a shared understanding on the relationship between the two items as well as an opportunity for joint consideration, in particular to test the different models for their interrelationship.

⁷ Background information about this agenda item and its mandate is available in the annotated agenda for the session, see paragraphs 12–14 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <http://unfccc.int/bodies/apa/items/10237.php>.

⁸ Available at http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_4_informal_note_final_iteration.pdf.

Agenda item 5: Modalities, procedures and guidelines for the transparency framework for action and support⁹

24. The final version of the co-facilitators' informal note on this item prepared at APA 1.4¹⁰ provides a good picture of the technical elements of the modalities, procedures and guidelines (MPGs) for the transparency framework for action and support under the Paris Agreement. Using this as a starting point should ensure the MPGs enable full implementation of the Article 13 transparency framework.

25. The informal note also gives an indication of the considerable scale and complexity of the technical work that remains to be completed. We therefore urge Parties to work expeditiously with a view to further developing the draft elements and transitioning them into full textual narratives identifying and presenting areas of both shared and divergent understanding.

26. We recognize that, in accordance with the mandate from Paris, the transparency framework shall build on and enhance the relevant arrangements under the Convention, and therefore encourage Parties to identify experiences that may be drawn upon in the development of the MPGs.¹¹

27. Noting the wealth of information already captured in the informal note, we believe that further progress can be made by addressing the following aspects of the matters under deliberation:

- (a) Refining/completing the draft elements with a view to ensuring that the intent and placement of the proposals are captured correctly, streamlining those proposals with similar ideas and developing options as necessary;
- (b) Ensuring the legal nature of the various provisions of paragraphs 7 to 12 of the Paris Agreement (i.e. using “shalls” and “shoulds”) is accurately reflected in the MPGs;
- (c) Discussing specific examples that could inform the development of provisions to give flexibility for those developing country Parties that need it in the light of their capacities;
- (d) Clarifying the understanding of what and how specific proposal(s) addressed under this agenda item are linked to on-going work under other agenda item as well as other bodies, and how to address them in developing the MPGs;
- (e) Translating the work on the aspects above into coherent elements of text that can form a basis for the negotiations.

Agenda item 6: Matters relating to the global stocktake referred to in Article 14 of the Paris Agreement¹²

28. The negotiations under this agenda item at APA 1.4 progressed well, focusing on the APA's mandate – to identify sources of input for, and develop the modalities of, the global stocktake (GST). The identification of building blocks in the informal note from APA 1.4¹³ allowed for the three proposed operational models for the GST to be structured under three generic activities, which usefully advanced the discussions. Parties are now in a position to seamlessly transition at APA 1.5 to the next step in the negotiations.

⁹ Background information about this agenda item and its mandate is available in the annotated agenda for the session, see paragraphs 15–18 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <http://unfccc.int/meetings/ad_hoc_working_groups/items/10163.php>.

¹⁰ Available at <http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_5_informal_note_.pdf>

¹¹ Article 13, paragraphs 3 and 4 of the Paris Agreement.

¹² Background information about this agenda item and its mandate is available in the annotated agenda for the session, see paragraphs 19–22 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <<http://unfccc.int/bodies/apa/items/10159.php>>.

¹³ Available at <http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_6_informal_note_final_version.pdf>.

29. Building on the structure developed at APA 1.4, Parties may wish to consider proceeding with:
- (a) Preparing coherent texts for the issues deliberated, with the aim to form a basis for negotiations;
 - (b) Developing textual elements on equity, as a follow-up to the discussions on this issue at APA 1.4;
 - (c) Identifying commonalities in their positions and combining elements under the various building blocks as appropriate;
 - (d) Clarifying the remaining differences and expressing them as options under the building blocks.

Agenda item 7: Modalities and procedures for the effective operation of the committee to facilitate implementation and promote compliance¹⁴

30. The informal note prepared at APA 1.4¹⁵ sets out a structure for the guidance to be developed under this agenda item. At APA 1.5, Parties will need to:

- (a) Populate the structure with elements of substantive text reflecting Parties' positions and options on the issues;
- (b) Reflect further on the various options for the scope of the committee's work, in conjunction with how its work could be initiated and the range of possible measures it could propose to address specific challenges encountered by Parties;
- (c) Explore what such options, referred to in sub-paragraph (b) above, may look like in practical terms, as this will help Parties move beyond theoretical discussions.

31. Substantive linkages remain important under this item. APA 1.4 made some progress with respect to linkages to the transparency framework. However, more discussion on linkages, including those to support arrangements, would be useful. At the same time, consideration of the linkages and their impact on the committee's modalities and procedures should not result in duplicating any existing negotiating streams or implementation modalities (such as those for the transparency framework), or in introducing any inconsistency with relevant existing arrangements (such as those for support).

Agenda item 8: Further matters related to implementation of the Paris Agreement

*Adaptation Fund*¹⁶

32. At APA 1.4, Parties continued their deliberations on the APA mandate for this issue. Parties elaborated their views on possible options for the Adaptation Fund to serve the Paris Agreement and reflected on what elements might be included in future CMP¹⁷ and CMA decisions. The informal note by the co-facilitators on this

¹⁴ Background information about this agenda item and its mandate is available in the annotated agenda for the session, see paragraphs 23–26 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <<http://unfccc.int/bodies/apa/items/10167.php>>.

¹⁵ Available at <http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_7_informal_note_final_version.pdf>.

¹⁶ Background information about this issue and its mandate is available in the annotated agenda for the session, see paragraphs 29–31 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <<http://unfccc.int/bodies/apa/items/10158.php>>.

¹⁷ According to decision 1/CMP.13, paragraph 12, the Adaptation Fund shall serve the Paris Agreement subject to and consistent with decisions to be taken at CMP 1.3 (December 2018), in line with decision 1/CMP.1, paragraph 11.

item¹⁸ provides an overview of the discussions that took place. It contains elements of relevant guidance based on Party inputs, discussions and streamlining during the November session. It also includes an annex with the four inputs received from Parties in response to an invitation by the co-facilitators. The informal note by the co-facilitators should assist the negotiations at APA 1.5 in streamlining a set of options into elements of a draft decision text for the Adaptation Fund to serve the Paris Agreement. Consistent with the APA's mandate for this item, the text will need to address governance and institutional arrangements, safeguards and operating modalities of the Adaptation Fund.¹⁹

*Further matters related to implementation of the Paris Agreement*²⁰

33. At APA 1.4, Parties continued their consideration of ways forward on the remaining possible additional matters relating to the implementation of the Paris Agreement, referred to in the report of APA 1.3,²¹ 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 of the Paris Agreement;²²
- (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;
- (c) Initial guidance by the CMA to the Least Developed Countries Fund and the Special Climate Change Fund in accordance with decision 1/CP.21, paragraph 58;
- (d) Guidance by the CMA on adjustment of existing NDCs under Article 4, paragraph 11 of the Paris Agreement; and
- (e) Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53.

34. Parties also considered questions posed by the Co-Chairs, specific to each of these remaining possible additional matters, which are contained in the informal note²³ published on the UNFCCC website.

35. The discussions at APA 1.4 helped in clarifying Parties' views and identifying ways forward for these remaining possible additional matters, as reflected in the informal note from APA 1.4.²⁴ A shared understanding

¹⁸ Available at: <[http://unfccc.int/files/bodies/apa/application/pdf/informal_note_apa_item_8b_\(af\)-revised_final_version_14.11.2017_for_webposting.pdf](http://unfccc.int/files/bodies/apa/application/pdf/informal_note_apa_item_8b_(af)-revised_final_version_14.11.2017_for_webposting.pdf)>.

¹⁹ See FCCC/CP/2016/10, paragraph 18 and decision 1/CP.22, paragraph 14. Decision 1/CMP.13, in its paragraph 14 notes the progress of the APA in undertaking the necessary preparatory work to address governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement, including sources of funding, to be defined by Parties, and looks forward to the recommendations thereon from the APA in 2018.

²⁰ Background information about this issue and its mandate is available in the annotated agenda for the session, see paragraphs 32–33 in FCCC/APA/2018/1, and on the relevant pages on UNFCCC website at <<http://unfccc.int/bodies/apa/items/10158.php>>.

²¹ See FCCC/APA/2017/2, paragraph 31 and footnote 26.

²² We note with respect to this matter that paragraph 5 of decision 12/CP.23 requested the SBI to consider, beginning at its forty-eighth session (April–May 2018) and at any subsequent sessions on the Paris Agreement work programme, the identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement, and to forward the outcomes to COP 24 (December 2018) with a view to the COP providing a recommendation for consideration and adoption by the CMA at the third part of its first session (December 2018).

²³ Available at: <http://unfccc.int/files/bodies/apa/application/pdf/co_chairs_additional_questions.pdf>.

²⁴ Available at: <http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/apa_8_informal_note_.pdf>.

among Parties of how to deal with some of these five matters seems to be emerging. We will continue assisting Parties in their deliberations through guiding questions, and reiterate our invitation to Parties to provide additional views and suggestions, which will serve as input for the discussions at APA 1.5.

VI. Concluding remarks

36. The APA must now make the next transition in its work. This transition needs to happen through iterations of the informal notes at APA 1.5, to give substance to the skeletons/outlines developed at APA 1.4. We urge Parties to build up the content across all agenda items, while continuing to reflect, where necessary, the broad options to address divergent views. This process should result in, by the end of the session, texts that can serve as a basis for the negotiations. We consider such a transition as critical for the APA to be in a position to conclude the negotiations successfully in December 2018. At the end of the session, Parties will need to assess how successful they have been in preparing substantive content, and what remains to be done to ensure that Parties have a basis for negotiations to work on when they next meet.

37. We draw Parties attention to the opportunity to submit textual proposals in advance, to help in focusing on substance in the deliberations on the APA agenda items, as suggested by the conclusions of APA 1.4.²⁵

38. We would like to reiterate to Parties our sincere gratitude for the trust and confidence placed in us, as well as for their continued support. We are committed to remaining available to Parties at all times. We will make every effort in the pre-session period and at the session to make sure that the process remains focused, balanced and Party-driven. We will also be available to support any inter-session work, should such work be decided by Parties at the upcoming session.

²⁵ See paragraphs 17–25 in FCCC/APA/2017/4, available at <http://unfccc.int/resource/docs/2017/apa/eng/04.pdf>