



## BONN HIGHLIGHTS:

### TUESDAY, 1 SEPTEMBER 2015

ADP 2-10 continued on Tuesday, 1 September 2015, in Bonn, Germany. Delegates gathered in facilitated groups on: adaptation and loss and damage, transparency of action and support, finance, and capacity building in the morning; adaptation and loss and damage, workstream 2 (pre-2020 ambition), mitigation, and procedural and institutional provisions in the afternoon; and finance and timeframes in the evening. Throughout the day, informal meetings of the facilitated groups on workstream 2, capacity building, mitigation (on differentiation, non-markets and implementing jointly), and finance (on institutional arrangements) also took place.

#### ADP FACILITATED GROUPS

**ADAPTATION AND LOSS AND DAMAGE:** The morning and afternoon sessions were co-facilitated by Andrea Guerrero (Colombia).

In the morning, Bolivia, for the G-77/CHINA, emphasized the need to strengthen existing institutions, and include loss and damage in the agreement, among other issues.

Noting the divergence of views on how best to address loss and damage, the Marshall Islands, for AOSIS, called for engagement on this issue during the week. IRAN said new mechanisms are needed to address shortcomings of existing ones.

ARGENTINA highlighted the need for a long-term vision that reflects the Convention's principles. INDIA stressed inclusion of funding for adaptation and MRV of support in the agreement.

In the agreement, SOUTH AFRICA urged reflecting: adaptation finance; linkage between the temperature goal and adaptation; and expression of adaptation needs in regular cycles. AUSTRALIA underscored the need for greater clarity on joint mitigation and adaptation approaches.

After a discussion on the way forward, parties agreed to split discussions between adaptation and loss and damage, and explore the possibility of creating spin-off groups.

In the afternoon, parties responded to questions circulated by the Co-Facilitators on Monday. On adaptation, the G-77/CHINA, noted areas of convergence and highlighted, *inter alia*, the relationship between collective and individual efforts. The EU urged more thought on the difference between a goal/vision and collective effort.

The US expressed concern about establishing a link between adaptation finance and the level of mitigation achieved globally. The MARSHALL ISLANDS stressed the relevance of the Sustainable Development Goals and indicators. SUDAN noted common interest in raising the profile of adaptation.

On loss and damage, the G-77/CHINA urged moving beyond "recognition" of the issue and called for institutional arrangements. Tuvalu, for the LDCs, discussed their proposed institutional arrangements, including a displacement facility

and a technical panel. Saudi Arabia, for the LMDCs, said the Warsaw International Mechanism needs to be anchored in the agreement. The US proposed addressing loss and damage through COP decisions, adding that she did not foresee that the Warsaw International Mechanism would "sunset."

JAMAICA, Ghana, for the AFRICAN GROUP, and the LDCs emphasized the need for durability in the agreement on matters relating to vulnerable countries.

Co-Facilitator Guerrero announced that two spin-off groups would be held on Wednesday on: long-term vision, goal and collective effort; and loss and damage.

**TRANSPARENCY OF ACTION AND SUPPORT:** This session was co-facilitated by Fook Seng Kwok (Singapore). Parties continued discussions from Monday evening on elements to be included in the agreement or COP decisions.

BOLIVIA and VENEZUELA supported the proposal made on Monday evening by China, for the LMDCs, which, *inter alia*, calls for reorganizing the decision text in the Tool in a "logical" order: transparency of mitigation action; transparency of adaptation action; generally ensuring MRV of support; reporting of support; verification of support; and information on support provided and received.

BOTSWANA, with Angola, for the LDCs, underscored the importance of funding capacity building to undertake MRV. MALAYSIA noted difficulties in tracking support. Panama, for the Coalition for Rainforest Nations (CfRN), called for differentiating between actions ready for implementation, such as REDD+, and those requiring further elaboration, including agriculture.

Among summarized discussions, Co-Facilitator Kwok highlighted managing the transition from existing systems. He also observed discussions on ensuring just enhancement of support at two levels: first, MRV of support provided and received; and second, support for developing countries to effectively participate in existing MRV systems and the post-2020 MRV regime. Parties agreed to commence discussions on support for participating in MRV on Wednesday morning.

**FINANCE:** Georg Børsting (Norway) co-facilitated the session. Bolivia, for the G-77/CHINA, outlined the building blocks: obligations and commitments; scale of resources; sources; and MRV. Malawi, for the LDCs, called for inclusion of grant-based investments. South Africa, for the AFRICAN GROUP, and Costa Rica, for AILAC, emphasized, *inter alia*, including commitments on the scale of finance.

Ecuador, for the LMDCs, expressed concern that scale and sources are missing. With several developing countries, he called for reference to finance for adaptation and clarity on the role of the Standing Committee on Finance. CANADA and NEW ZEALAND said existing institutions should continue.

Several developed countries underlined the need for more countries to mobilize finance and for mobilizing finance from all sources. Belize, for AOSIS, lamented the inclusion of



“dynamism” in mobilization. NORWAY stated that “dynamism” involves regular updates and includes all sources. AILAC underlined public funds as the primary source, supplemented with private and alternative sources. BRAZIL called for predictability of finance.

JAPAN highlighted the Financing for Development process, which includes mobilizing private finance. The AFRICAN GROUP, INDIA and SAUDI ARABIA opposed references to outside processes. Several parties expressed willingness to discuss transparency.

Parties established a spin-off group on institutional arrangements, and Canada and the G-77/China will report to the facilitated group.

**CAPACITY BUILDING:** Co-Facilitator Artur Runge-Metzger (EU) asked for views on the placement of text in the Co-Chairs’ Tool and if any element was missing. Many parties emphasized the importance of enhancing capacity building, including pre-2020, which could be done through COP decisions.

China, for the G-77/CHINA, Jamaica, for AOSIS, Swaziland, for the AFRICAN GROUP, Saudi Arabia, for the LMDCs, and Senegal, for the LDCs, called for the agreement to establish a new capacity-building mechanism.

The US preferred using the Durban Forum on Capacity-building under the new agreement. The EU said creating a new mechanism should be considered once the review of current efforts is completed. Many parties raised concern over the disconnect between international capacity-building efforts and results on the ground, as well as the lack of coordination among institutions carrying out capacity-building activities.

Co-Facilitator Runge-Metzger requested that Swaziland facilitate a spin-off group on the elements for COP decisions on a functional work programme on capacity building for the pre-2020 period. He indicated that on Wednesday the group would discuss strengthening institutional arrangements, whether through a new mechanism or other measures.

**WORKSTREAM 2:** Co-Facilitator Aya Yoshida (Japan) asked for views on the elements for a draft decision circulated on 24 July 2015, in particular on the Technical Examination Process (TEP). Many parties welcomed the draft as a starting point for discussions.

INDIA called for expanding the TEP to include adaptation, technology and finance Technical Expert Meetings (TEMs). Colombia, for AILAC, suggested regional TEMs.

The REPUBLIC OF KOREA, NORWAY, the US, NEW ZEALAND, SWITZERLAND and CANADA supported confining the scope of the draft decision to mitigation, with a limited approach to adaptation, such as where mitigation actions deliver adaptation co-benefits. They stressed using existing adaptation entities and experts to address adaptation, and to possibly convene meetings similar to the TEMs. NEW ZEALAND and SWITZERLAND urged amending the mandates of other bodies if deemed inadequate, instead of creating a new institution.

Bangladesh, for the LDCs, and SOUTH AFRICA called for transforming the outputs of the TEMs into implementation on the ground.

The REPUBLIC OF KOREA, AILAC, NORWAY, the US, NEW ZEALAND and CANADA welcomed the emphasis on the role of non-state actors.

Parties agreed to convene, on Wednesday, an informal session facilitated by South Africa to focus on the TEP.

**MITIGATION:** Co-Facilitator Franz Perrez (Switzerland) proposed continuing to address issues as they have been placed in the Tool and using spin-offs to advance common understanding. He listed topics that require further discussion: response measures; collective effort and links to the long-term goal; the balance and mapping of the agreement and decisions; progression; land use and REDD+; and international transportation.

SOUTH AFRICA reported on the spin-off group on differentiation, noting interest in the debate and the diversity of views. BOLIVIA reported on the spin-off group on non-market issues, noting lack of agreement on this issue.

While regretting that little negotiating time remains before COP 21, parties’ views diverged on the utility of the spin-off groups and how to proceed in negotiations. Suggestions were made to either: use spin-off groups to deepen understanding; move issues from part 3 of the Tool (provisions whose placement requires further clarity) to the sections for the agreement or decisions; address issues thematically; or move paragraph-by-paragraph through the text.

After an extensive debate, parties agreed that the spin-off group on differentiation would continue, the spin-off group on joint implementation would meet as planned, and the Co-Facilitators would show a slide with the headings from the Co-Chairs’ Tool and their placement at the next meeting of the facilitated group.

**PROCEDURAL AND INSTITUTIONAL PROVISIONS:** Sarah Baashan (Saudi Arabia) co-facilitated the discussion.

Several parties agreed that the paragraphs on the governing body in part 1 of the Tool (on the agreement) are a sufficient basis to serve the new agreement. Colombia, for AILAC, NORWAY and CANADA specified that countries that do not ratify the agreement should not take part in decision making under the governing body.

Sudan, for the AFRICAN GROUP, suggested discussing the rules of procedure and the interval of meetings of the governing body. India, for the LMDCs, said details could be determined at later stages.

SAUDI ARABIA stated that the rules of procedure of the COP should apply under the new agreement. The EU suggested that the agreement could develop its own rules of procedure. AILAC suggested this should be discussed in the context of the paragraph in part 1 of the Tool on voting.

On anchoring institutions, the US, AILAC, AUSTRALIA and others preferred identifying existing institutions that would serve the new agreement on a case-by-case basis in the relevant sections.

NORWAY, the LMDCs and the AFRICAN GROUP supported a general anchoring provision. Jamaica, for AOSIS, noted new institutional arrangements for strengthened institutions may be required. BRAZIL said this anchoring provision avoids duplication.

Co-Facilitator Baashan indicated that the group would discuss entry into force at its next meeting.

### IN THE CORRIDORS

On Tuesday, delegates met for the first time in spin-off groups. Some welcomed the development, and hoped that the smaller, more informal groups would quicken the pace and generate clear options or even bridging proposals on key issues, including differentiation.

Meanwhile, other delegates felt beleaguered by the proliferation of informal meetings, especially those on small delegations, in part due to the lack of funds available in the Trust Fund for Participation. One delegate was found lamenting “there are more meetings happening this afternoon than people on my delegation.”

By the end of the spin-off groups’ first day, mitigation negotiators became bogged down by debates over the usefulness of such groups. Commenting that she had been hopeful for progress at the start of the facilitated group, one observer lamented that negotiators “marched right into the quicksand of procedural debates.” The promise of the spin-off groups is nascent, but many left the conference center hoping they can deliver much-needed progress on the “still too long and complicated” text.