



## **BONN CLIMATE CHANGE CONFERENCE: FRIDAY, 5 JUNE 2015**

The Bonn Climate Change Conference continued on Friday, 5 June. ADP facilitated groups convened on: finance and technology in the morning; timeframes, implementation and compliance, and capacity building in the afternoon; and workstream 2 (pre-2020 ambition) and transparency in the evening. The TEM on accelerating energy efficiency in urban environments took place in the afternoon.

In the morning and afternoon, the second working group session of the multilateral assessment under the international assessment and review process took place.

A number of informal consultations convened under the SBSTA throughout the day. The in-session workshop on long-term finance, which continued in the afternoon, is summarized at: <http://www.iisd.ca/climate/sb42/enbots/5jun.html#event1>.

### **ADP**

**FACILITATED GROUPS: Finance:** Co-facilitator Børsting suggested focusing on consolidating options and streamlining the text.

Bolivia, for the G-77/CHINA, expressed concern that parties were still not negotiating. Stressing the need for a more organized text, the EU requested “clustering” the text over the next days with the assistance of the Secretariat.

On paragraph 98 on principles and targets regarding the provision of finance post-2020, parties agreed to a proposal by the G-77/CHINA to delete option 3 in favor of option 4.

Parties agreed to delete paragraph 99 in favor of paragraph 93, both on a process for assessing the needs of developing countries.

Parties also agreed to consolidate two options under paragraph 109 on a collective goal/aim to transition to a world in which all investments are directed at resilient and low-emission actions, based on a proposal by Switzerland, for the EIG.

On paragraph 121 on the provision of funding for capacity building, parties agreed to remove options 2 and 4, as proposed by the G-77/CHINA, leaving options 1 and 3.

On paragraph 125 on the provision of MOI support to developing countries, parties were unable to agree on a proposal by the G-77/CHINA to delete option 2 stating “developed country parties to provide” in favor of option 3 stating “developed country parties shall provide.”

On paragraph 128 on the sources of finance, based on consolidation proposals by the G-77/CHINA, the EIG and South Africa, for the AFRICAN GROUP, parties agreed to, respectively: delete option 3 in favor of option 6, both on criteria for sources of finance; merge option 2 into option 1 sub-option

b to avoid duplication; and delete option 5 except a sentence on the replenishment of the operating entities of the Financial Mechanism, which is to be moved to the section on institutions.

On paragraphs 91 and 92 on the scale of resources, parties did not agree to the proposal by G-77/CHINA to merge parts of these paragraphs.

Turning to restructuring and clustering, co-facilitator Børsting proposed identifying the cluster headings and then examining parties’ proposals on where to move paragraphs. The EU suggested reordering the headings as outlined in the structural suggestion at the end of section F in the Geneva text, starting with: guiding principles; scale of resources; commitments/contributions/actions; sources of finance; and institutional arrangements. He proposed clustering on that basis.

SWITZERLAND supported clustering paragraphs on transparency and reporting. The US presented a proposal by Australia, Canada, Japan, New Zealand and the US on clustering around: guiding concepts; contributions/commitments/actions; institutions; and transparency and reporting processes. She noted the need for a conversation on how to address paragraphs that contain elements belonging to multiple clusters.

The G-77/CHINA preferred beginning substantive negotiations, saying clustering would naturally follow from those discussions.

Parties finally agreed to consider the text paragraph-by-paragraph, and to consider paragraph placement without pre-agreement on how they might be clustered, at their next session.

**Technology:** Co-facilitator Tosi Mpanu Mpanu facilitated this session, which focused on the co-facilitators’ proposals for streamlining.

Parties considered merging options a and b of paragraph 132.1 on commitments in relation to enabling the development and transfer of technology to developing countries. In consolidating, parties focused on steps by developed countries to: leverage enhanced support from the private sector for technology development and transfer to developing countries; address barriers to accessing technology “and know-how”; and promote access to public sector technology, and its development and transfer to developing countries.

The group unpacked paragraph 133.2 on guidance to, and strengthening of, the Technology Mechanism/institutional arrangements. Parties reorganized the text around the following themes: support for the operationalization and delivery of commitments related to technology; enhanced cooperation and synergy with other institutions; and review of adequacy and effectiveness.

TUVALU suggested that “including provisions on accounting” and “specific needs of countries with special circumstances in Africa, the LDCs and SIDS” can be applied to



all themes. ARGENTINA cautioned against moving text from one “context” to another. INDIA suggested taking note of text that parties consider applicable to all elements.

Parties discussed the possible transfer of paragraphs to decision text. Supported by NORWAY and AUSTRALIA, the EU proposed to move paragraph 133.2 on strengthening the Technology Mechanism to decision text, noting that these issues are currently discussed under the COP. INDIA, the UAE, CHINA, BELIZE and TUVALU opposed.

Co-facilitator Mpanu Mpanu proposed merging the consolidated version of 132.1 with paragraph 132.3 on endogenous capacity. Parties said these paragraphs contain separate concepts and agreed they should not be merged.

Supported by the US and AUSTRALIA, MEXICO proposed changing reference to “developed parties” in paragraph 132.1 to “all parties,” noting that both developed and developing countries need to address barriers to technology transfer. SOUTH AFRICA, CHINA and the UAE argued this would go beyond streamlining. The US said the group is also mandated to clarify concepts.

The EU cautioned against “being wed” to the Geneva text, adding that if parties agree to change it, then they should do so. NEW ZEALAND stressed that the proposal aims to clarify the text. Co-facilitator Mpanu Mpanu said he would take note of this proposal.

Parties then considered streamlining paragraph 132.5 on technical assessments. No consensus emerged and the issue will be considered during the next session of the facilitated group.

**Timeframes:** Co-facilitator Roberto Dondisch facilitated the session. Parties: considered a number of streamlining proposals presented by the LMDCs; expressed views on the placement of issues in the agreement or in decisions; discussed differentiation; and heard proposals on how to cluster the text for conceptual and structural clarity.

Parties did not agree to merging options 2 and 3 in paragraph 181 on developing countries’ adjustment of contributions when severely affected by an extreme natural event.

Parties were unable to agree to merging option 1 and option 3 in paragraph 185 on strategic review of implementation/aggregate ambition assessment/enhanced ambition mechanism. The MARSHALL ISLANDS, with Tuvalu, for the LDCs, and the US emphasized that the aggregate ambition assessment should be part of the agreement, while specific modalities could be established in future decisions.

INDIA said the review of implementation should be addressed in post-Paris decisions, an option CHINA requested remain on the table. CHINA stressed decisions of placement depend on agreement under all elements considered by the ADP.

Parties did not agree to merging options 1 and 2 of paragraph 186 on the purpose of the review/assessment/mechanism. The EU saw this best placed in the agreement. TUVALU emphasized that a review mechanism should apply to mitigation and MOI.

Parties did not agree to merging options 2 and 3 of paragraph 188 on the review assessment mechanism being applicable to all parties. CHINA, INDIA and BRAZIL said all different ways of referencing “all parties” could be reflected in one option using brackets. The EU, the US, CANADA and NEW ZEALAND opposed.

On the application of differentiation in the context of time frames, BRAZIL, supported by INDIA, said the application of differentiation would depend on the context of aggregate or individual review/assessment. He added that even in the aggregate review, CBDR would entail a nuanced differentiation.

NEW ZEALAND said the determination of respective capabilities depends on the task, such as reporting. CHINA opposed treating “applicability to all” in a one-size-fits-all non-differentiated manner.

Clarifying its understanding of differentiation, AUSTRALIA, with the EU, noted that a genuine aggregate review should include all parties. She called for synchronicity of parties’ communications during the update phase of contributions, while taking into account national circumstances. Suggesting that *ex ante* consideration is time-consuming, she proposed differentiating by prioritizing countries with a high global share of emissions.

NEW ZEALAND reflected on how differentiation evolved between past COPs, from CBDR and respective capabilities, and self-differentiation at COP 19, to CBDR in light of different circumstances at COP 20.

Parties also heard proposals on how to cluster issues in the text for conceptual and structural clarity by the EU, the LMDCs and AILAC. Co-facilitators will prepare guidance to parties on how to consider these submissions at the next session of the facilitated group.

**Implementation and Compliance:** This session was chaired by co-facilitator Sarah Baashan (Saudi Arabia), who proposed labeling paragraphs in option I outlining sub-options for a compliance system in order to clarify their content.

A number of parties, including CHINA, CANADA and SAUDI ARABIA expressed reluctance to discuss compliance in-depth before reaching consensus on the legal form of the agreement.

The EU noted the usefulness of clarifying possible compliance models before COP 21. He suggested, and parties agreed, to reorganize the section according to the “family” of alternative models contained in the section.

Parties also agreed to a proposal by AUSTRALIA to identify “baskets” of issues, in order to label the paragraphs. He suggested the following “baskets”: purpose; establishment; tools; composition; and mode of work.

The EU proposed considering “higher-level baskets” in order to reduce their number, namely: establishment and purpose; mandate, scope and structure; and modalities of the arrangements. Parties will meet informally to agree on these “baskets” before the next session of the facilitated group.

**Capacity Building:** Explaining that the facilitated group had progressed as far as possible on streamlining and structuring the text on capacity building, co-facilitator Artur Runge-Metzger suggested a conceptual discussion around paragraphs 139 and 140 on institutional arrangements to clarify related concepts and thinking, including what needs to be implemented from Paris onwards.

AUSTRALIA proposed exploring, *inter alia*: gaps in, and improvements to, existing mechanisms; the need and funding for a new institution for capacity building; and a middle ground between whether or not to have a new institution. The EU invited parties to share views on underlying concerns and needs.

JAMAICA identified gaps in reporting on capacity-building activities and said CTCN efforts are focused on building capacity to participate in the CTCN. BURUNDI noted a lack of coordination among capacity-building relevant bodies under the Convention. MALAYSIA suggested that developing countries’ capacity has mainly been enhanced with respect to reporting requirements.

SAUDI ARABIA, SOUTH AFRICA, BURUNDI and SENEGAL called for a governing body to coordinate capacity-building efforts, with SENEGAL calling for MRV of support to developing countries. The EU questioned the ability of such a body to address the identified gaps.

Noting developing countries require capacity to take action on climate change and deliver on the Paris agreement, SAUDI ARABIA, supported by JAMAICA, MEXICO and SENEGAL,

suggested developed countries not think of capacity building as a liability, but as a collaborative approach to enabling all to contribute to the 2015 agreement.

**TEM ON ACCELERATING ENERGY EFFICIENCY ACTION IN URBAN ENVIRONMENTS:** Opening the meeting, ADP Co-Chair Ahmed Djoghlaif noted that cities are faced with unprecedented challenges, and highlighted increasing urbanization in developing countries.

Facilitator Sylvie Lemmet (France) said the meeting aims to discuss: policy options for energy efficiency in urban environments; ways to overcome barriers; and means to identify gaps.

Maryke van Staden, ICLEI - Local Governments for Sustainability, described how cities are planners, regulators and implementers of climate action. She illustrated instruments to plan, regulate and act, suggesting a focus on the building, transport, waste and land-use sectors.

Luis Gomez Echeverri, Sustainable Energy for All, presented on local action to respond to climate change, highlighting that energy efficiency has great untapped potential and co-benefits, including energy security and jobs creation.

**Realizing Potential and Benefits of Enhanced Energy Efficiency Policies in Urban Environments:** Brian Dean, International Energy Agency, stressed opportunities for decoupling economic growth from energy intensity.

Vladimir Kendrovski, World Health Organization, outlined the health benefits of energy efficiency in urban environments, emphasizing the importance of considering the health gains associated with addressing the causes of climate change.

John Christensen, UN Environment Programme, presented on energy challenges for cities, as well responses and opportunities.

Delphine Garin, World Business Council for Sustainable Development, discussed cities' solutions for energy efficiency in a rapidly urbanizing and climate-resilient world, introducing nine cities' action plans to address technical barriers.

During the ensuing discussion, parties debated: ways to facilitate knowledge sharing on best practices; the role of the Convention bodies in supporting energy efficiency in urban environments; and how to build on previous TEMs.

## SUBSIDIARY BODIES

### MULTILATERAL ASSESSMENT AND REVIEW (SBI):

In the morning, SBI Chair Amena Yauvoli opened the session.

LIECHTENSTEIN reported on investments in photovoltaic and waste-to-steam energy production to decouple emissions from economic growth. In response to questions regarding using market mechanisms, LIECHTENSTEIN said the focus is pre-2020 targets and that, as an Annex B country, it is able to use the Protocol's flexibility mechanisms.

LITHUANIA reported a GHG emissions reduction of over 56% in comparison with 1990 levels under the first commitment period of the Kyoto Protocol. In response to questions, she noted the electrification of railways, improvements in public transport and the intention to increase biofuels use in the transport sector.

MALTA noted her country's absolute emissions, and therefore mitigation potential, are small, and reported a decrease of 56% in emissions since 1990. In response to questions, she said that switching to natural gas and more efficient generation plants has led to emissions reductions.

MONACO presented on policies concerning, *inter alia*, energy efficiency in buildings; renewable energy consumption; clean mobility; and waste. Responding to questions, he explained that its policy on the use of biofuels is aligned with that of the EU.

NORWAY presented on policies to achieve its mitigation target under the second commitment period of the Kyoto Protocol, emphasizing the role of renewable energy, economic instruments and its contribution to reducing emissions in

developing countries. Responding to questions, he explained Norway is willing to consider purchasing, from all parties, CERs from CDM projects likely to be terminated.

POLAND reported emissions decreases, despite economic growth, and said that the energy sector is responsible for 80% of the country's emissions. She highlighted a new energy policy to be published in 2016 that is designed to guide policy until 2050. In response to questions, POLAND expressed confidence that the country's emissions limitation will be achieved.

In the afternoon, ROMANIA noted a decrease in her country's total emissions since 2008, largely attributable to the economic downturn. Responding to a question on the small difference between emissions projections with existing measures and those with additional measures for 2030, she said the latter incorporate the need for development in certain sectors.

The RUSSIAN FEDERATION said it overachieved its Kyoto Protocol first commitment period target and that its INDC target is to reduce emissions to no more than 75% of 1990 emissions by 2020. In response to questions, she described the necessary balance between forest conservation and increasing the use of forests to achieve net removals.

SLOVAKIA reported that its emissions decreased by 40% below 1990 levels excluding LULUCF and were driven by air quality legislation. In response to questions, she noted revenues from auctioned allowances under the EU ETS are earmarked to help reach future climate-related targets.

SLOVENIA reported that the Operational Programme for Reducing GHG Emissions until 2020 adopts indicative 2020 and 2030 targets for various sectors. In response to questions, he highlighted: the preparation of an ordinance on biofuel use; and the mitigation potential of rail transport.

UKRAINE said the energy sector is the main source of its emissions and outlined projected emissions under different economic scenarios. In response to questions, she highlighted an environmental tax that is in place, and stated that due to political and economic circumstances the country is not currently considering increasing its ambition.

The UK highlighted its target to reduce GHG emissions by at least 80% below 1990 levels by 2050. Responding to questions, he described the capture and utilization of methane from landfills, and the UK's interim renewable energy targets.

SBI Chair Yauvoli commended the constructive way in which parties had engaged in the multilateral assessment and noted agreement among parties that aiming for low-carbon economies is the way forward.

## IN THE CORRIDORS

As they reached the meeting's half-way mark, delegates discussed the appropriate vehicle to reach the speed at which negotiations must progress on the remaining road to Paris.

At the ADP facilitated discussion on finance, many were heartened by the pace at which paragraphs were deleted, albeit some remarked that substantive discussions still had yet to start, saying it is time to "switch gears." A debate around whether this would entail a restructuring and "clustering" exercise within each section, or directly addressing substance, prompted a delegate to note that sometimes gears "unpleasantly groan" when shifted. While discussions on how to proceed took up precious time, most welcomed them as moving onto the right track "to overhaul the text and get in gear for negotiations."

While the multilateral assessment session provided an opportunity to look at the road travelled, with countries assessed reporting they had met their Kyoto first commitment period targets, the TEM on energy efficiency seemed to look to the road ahead, highlighting the potential role of cities to be in the mitigation's driving seat.



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