

## Pre-COP – Paris 8-10 of November

### Background note

The purpose of this background note prepared by the French Presidency of COP21 is to guide the discussions among ministers and other heads of delegation at the pre-COP in Paris from November 8 to 10. It updates the background note prepared by the Peruvian Presidency of COP20 and French Presidency of COP21 for the informal ministerial consultations in Paris on July 20 and 21, and September 7 and 8, and builds on the aide memoires of both consultations; it also draws on the draft agreement and draft decisions prepared by the ADP as the basis for negotiations when the ADP resumes in Paris.

The purpose of this pre-COP is not to negotiate the ADP text which, according to the decision made in Bonn during the last ADP session will be the basis for negotiation but rather to provide the necessary political guidance to the ADP negotiating process, and to come up with proposals for common ground on some of the key political issues that remain open. Such proposals should help the ADP to make progress during the first week in Paris, with the view to adopting an ambitious and equitable Paris agreement under the UNFCCC and associated decisions in Paris at COP21.

The working method of the pre-COP will be the same as during the first two informal ministerial consultations:

- The **opening plenary** will provide an opportunity to take stock of where we are, and to cover some of the key issues (such as adaptation, loss and damage, response measures and some legal issues) that will not be discussed in details in the working groups;
- The **closing plenary** will furthermore provide an opportunity to send a clear message on expectations by ministers and other heads of delegation regarding the clear draft agreement and decisions to be forwarded by the ADP to the COP;
- In between, ministers and other heads of delegations will be split into **four parallel working groups**, moderated by pairs of ministers, focused on some specific issues relevant to the Paris agreement. Each minister and other head of delegation will participate in the four working groups. The moderating ministers will report on the outcome of their respective working groups in the closing plenary.

Consequently, this background note draws on the structure and content of the ADP draft negotiating text, selects a limited but balanced number of open, essential, political issues, and groups them in a way that makes it possible to look in a cross-cutting manner at the big picture. As many questions remain open, we may not be able to go through all of them. Nevertheless, the collective understanding of the state of play will be improved by the overview of the many issues to be resolved in Paris.

The four proposed working groups are:

- **Equity /differentiation:** how to reflect and operationalize the principle of common but differentiated responsibilities and respective capabilities in different sections of the Paris agreement; in particular on mitigation and transparency;
- **Ambition:** across the board: for mitigation, adaptation, and means of implementation; issues related to the long-term goal or goals; to the global stock take; and to the periodic upward revision of individual contributions;
- **Pre-2020 action and support:** issues related to enhanced immediate delivery of results (workstream 2, pre-2020 finance, and other elements of the Paris package).
- **Post-2020 finance:** issues related to the scaling up and the predictability of finance; to the leadership role of developed countries and the complementary role of others; to the improvement of transparency obligations; to the prioritization of support and the balance between mitigation and adaptation.

For each set of issues, this background note attempts to indicate where we are and to lay out clearly some of the main remaining options on the table, by referencing relevant key articles and paragraphs in the ADP draft negotiating text. The purpose of the pre-COP will be to discuss how to reaffirm emerging areas of convergence and to enlarge them through possible bridging proposals, in order to feed the negotiation from day 1 of COP21.

## **1) Equity – differentiation for mitigation and transparency**

### **Where are we?**

- The Paris agreement will be under the Convention, applicable to all parties and, as reflected in the COP20 Lima outcome, will apply the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.
- The practical application and textual expression of this principle will apply in different ways to different elements of the agreement (mitigation, adaptation, support, transparency) but the details remain to be agreed.
- There should be flexibility provided to LDCs and SIDS.

### *Mitigation*

- All parties will communicate and maintain their nationally-determined mitigation contributions<sup>1</sup>. The INDC provides the vehicle for each country to translate its national circumstances and development priorities into its contribution over time;
- Further parameters should frame and guide the agreement: parties should move in the direction of greater ambition over time, and should reflect their highest possible ambition in accordance with common but differentiated responsibilities and respective capabilities and in light of different national circumstances;
- There should be no backtracking: for example, developed countries, that currently have economy-wide absolute reduction targets, should continue to take the lead and maintain such approaches in the future. Developing countries should improve overtime the nature and the form of their contributions;
- Support (finance, technology, capacity building) is critical for developing countries to undertake action.

### *Transparency for action and support*

- An enhanced transparency system after 2020 is necessary to build trust among parties: all parties will report on the implementation of their contributions; this information will be reviewed; transparency is needed for both action (mitigation, adaptation) and support (finance, technology, capacity building).
- The key elements of the transparency and accounting system should feature in the core agreement;
- A work programme to develop guidelines and procedures for the transparency system should be outlined in the COP21 decision; such work would build on Parties' experience with existing transparency mechanisms;
- There should be no backtracking from current transparency provisions: for example, developed countries which currently report and are verified on the most rigorous grounds should continue to do so in the future. Developing countries will evolve over time to follow more rigorous provisions;
- Full implementation of the transparency system will be eventually achieved through building the capacity of those countries that do not yet have the human and institutional capacity to effectively implement the transparency system.

## **Selected remaining issues**

### *Mitigation*

- What should be common and what should be differentiated in mitigation efforts? (*Art. 3.2, 3.3 and the different options*);
- How should the agreement reflect that part of developing countries contributions/commitments will be unconditional and/or reflect that the extent to which developing countries will implement their mitigation actions will depend on support ? (*Art 2.bis option para3, Art. 3.17 and 3ter options 1,2,3,4,5*);
- How should specific flexibility be provided for LDCs and SIDS? (*Art. 3.3, option 4*).

### *Transparency for action and support*

- How should a unified transparency framework established by the Paris Agreement provide flexibility for developing countries? (*Art 9.4, 9.5 and 9.6*)
- Should there be a time frame for adjustment? (*Art.9 Option 2 para 6bis.1*)
- How should it build on the existing arrangements under the Convention including the arrangements developed since Cancún? (*Art. 9.1 and options*).

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<sup>1</sup> There is a debate on the right term to use, whether it should be contribution or commitment, whether it should be a separate contribution or a mitigation component of a composite contribution. The term is used here without prejudice to resolution of this issue.

## **2) Ambition**

### **Where are we?**

- Ambition applies across the board: mitigation, adaptation, means of implementation (finance, technology, capacity building);
- Agreement must demonstrate equal importance of mitigation and adaptation. Setting a long-term goal for adaptation is important in this regard;
- Ambitious mitigation and adaptation actions must be enabled by adequate means of implementation;
- Agreement must reaffirm and operationalize the below 2°C temperature increase goal;
- Agreement must clarify the implications of staying below the 2°C temperature increase goal and express as a long term shared vision the transformation it requires;
- National long-term low-emission development strategies play an important role in this regard by laying out domestic milestones;
- Although they are insufficient to put the world today on a path to limit temperature increase below 2°C, INDCs must be recognized as a very significant first step forward in that direction;
- Clear distinction and complementary between the Measurement, Reporting and Verification of individual actions, to assess if countries are on tracks towards reaching their NDCs; and a global stock take to track aggregate progress towards reaching our long-term global goals, and enable greater ambition over time;
- This global stock take must be facilitative and non-punitive; it should also be comprehensive (tracking aggregate action and support);
- The results of this global stock take must inform the periodic upward revision of NDCs; this upward revision must be non-automatic, and nationally determined; the periodicity of this process should be frequent enough to ensure we do not lock in low-level of ambition that would make it impossible to achieve our long-term global goals.

### **Selected remaining issues**

#### *Long-term goals and vision*

- How to clarify the implications of staying below the 2°C temperature increase goal and express as a long-term shared vision the transformation required? (*art. 3 para. 1 options 1, 2 and 3*);
- How to mention the 1.5°C temperature increase goal? (*art. 2 option 1*);
- How to express the long-term goal for adaptation? (*art. 4 para. 1 options 1 and 2*);
- If and how to describe explicitly the links between mitigation efforts and adaptation needs? (*art. 4 para. 2 option 1 and option 2.(c)*);
- How to express the fact that the level of ambition of mitigation and adaptation collective action will be enabled by adequate means of implementation? (*art. 2 bis – option 1 para 3, and art 6*).

#### *Progression of nationally-determined efforts*

- How to express the need for a regular progression towards more ambitious national targets and actions? (*art. 2bis para 2 and Art. 3 para 4 and 5*)
- What should be the date of the first periodic update of individual nationally determined mitigation contributions?

#### *Dynamism*

- What should be the nature, purpose, inputs, periodicity and date of the global stock take to track aggregate progress towards reaching the long-term global goals? (*art. 10*)
- Given that the periodicity for mitigation, adaptation and means of implementation might differ, how can this collective process be comprehensive and how can its outputs help increase ambition? (*art. 2bis and art 3, 4 and 6*)

### **3) Pre-2020 action and support**

#### **Where are we?**

Although a large part of our conversation deals with the post-2020 regime, everybody recognizes the need for ambitious short-term action, which is as central as the long-term horizon to increase ambition post-2020. Strengthening action and support before 2020 must therefore be a key outcome of Paris which means:

- The commitment by developed countries to jointly mobilize 100 billion USD per year for developing countries by 2020, from public and private, bilateral and multilateral sources, must be honoured, and is key to building trust post2020;
- Existing mitigation commitments or pledges must be implemented. Ratification and entry into force of the Doha Amendment would permit implementation of the second commitment period of the Kyoto Protocol which parties are already implementing;
- Workstream 2 of the ADP has been working to strengthen ambition before 2020 and Paris must decide how to take this task forward. The technical examination process on mitigation should be pursued and strengthened and a dedicated high level event should be organised every year;
- The subsidiary bodies and the Convention bodies will take forward work in many areas, in particular on adaptation, loss and damage, response measures, finance, technology, capacity building, education and gender;
- Multi-stakeholder engagement in the UNFCCC should be enhanced. Lessons learned from the technical examination process and the ongoing effort of the Lima-Paris Action Agenda will be of help in doing so. The cooperative space refined under workstream 2 should make sure countries can reap the benefits of international cooperation, and go beyond what they can do unilaterally. This approach could also be relevant in a post2020 context.

#### **Selected remaining issues**

##### *Institutional issues and political leadership*

- How to accelerate the implementation of existing obligations before 2020? Should there be a facilitative dialogue in 2017/2018 to take stock of current undertakings and explore the possibility of further enhancing action and support? (*paragraphs 16-18 of draft decision on workstream 2*);
- What should be the appropriate arrangement to catalyse cooperative actions, ensure continuous leadership and guarantee high-level engagement? (*paragraphs 29-33 of the draft decision on workstream 2*);
- What should be the role of non-state actors and how to best encourage their actions? (*paragraphs 22-28 of the draft decision on workstream 2*).

##### *Finance*

- How to ensure that developed countries are on track to meeting the 100 billion USD objective by 2020? (*paragraphs 10-15 of the draft decision on workstream 2*)? How to ensure that adaptation finance for the most vulnerable is significantly increased in that period? Should intermediate targets be considered (*paragraph 10 of the draft decision on workstream 2*)?

##### *Adaptation*

- To accelerate and enhance implementation of adaptation actions, is there a value to launch a technical examination process dedicated to adaptation? (*paragraphs 34-45 of the draft decision on workstream 2*)

## **4) Post-2020 Finance**

### **Where are we now?**

- Developed countries should continue to take the lead and maintain the financial obligations derived from the Convention to provide support to developing countries;
- Voluntary support from developing countries should be recognized and encouraged;
- Predictability can be enhanced through the regular communication of information on the projected support to developing countries;
- Finance for adaptation must be scaled-up for a balance of flows between adaptation and mitigation.
- The monitoring and review arrangements for financial, technology and capacity building support provided to developing countries will be strengthened;
- The current financial mechanisms should serve the agreement;
- Financial flows must be reoriented to promote the transformation to low emission and climate resilient economies;
- All parties have a role to play in the mobilization of climate finance, including through domestic resources and a wide variety of sources, instruments and channels;
- It is also necessary to improve the enabling environments to mobilize and attract climate finance.

### **Selected remaining issues**

#### *Scale*

- How can the agreement ensure that the provision and mobilization of financial resources is commensurate with achieving progressively the objectives of the agreement and address the needs of Parties requiring support? (*paras in Art 6 Option I and Option II*);
- Should climate finance mobilization be scaled-up from a floor of 100 billion USD per year from 2020? Who should contribute to such scaling-up? (*para 6.8, 6.8bis of option 2*).

#### *Predictability*

- Should developed parties provide periodic communication on quantitative information of projected public finance, taking into consideration their various budgetary cycles? (*para 6.8bis, 6.10 and 6.10bis of option 2*); should developing country parties also communicate *ex ante* on their climate finance needs and their actions to mobilize climate finance? (*para 6.10 of option 2*);
- Should developed parties establish short-term collective quantified targets? (*para 6.11 of option 2*).

#### *Special allocation priorities*

- How can the agreement increase financing for adaptation and balance such flows with those dedicated to mitigation while respecting country priorities? (*para 6.15, 6.16 of option 2*);
- Who should qualify for support and access? Should it be the poorest/most vulnerable/those with the least ability to mobilize resources? (*para 6.5c option 2*.)

#### *MRV*

- How to strengthen the monitoring and review arrangements for the financial support provided to developing countries? (*para 59b, option 4 of draft decision on transparency*);
- Should there be a periodic collective stock take of financial flows? (*para 6.12 of option 2*).

#### *Financial architecture*

- Should a main role be assigned to the GCF? Should existing funds including the Adaptation Fund feature in the future architecture? (*para 6.20 option 2*)

#### *Signal to the economy*

- How can the agreement send a strong signal to reorient financial flows towards a transformation into low emission and resilient economies? (*para 6.1 of option I, para 6.5f of option 2*) Can the pricing of greenhouse gas emissions be a useful tool in that respect? (*para 6.7 of option 2*).