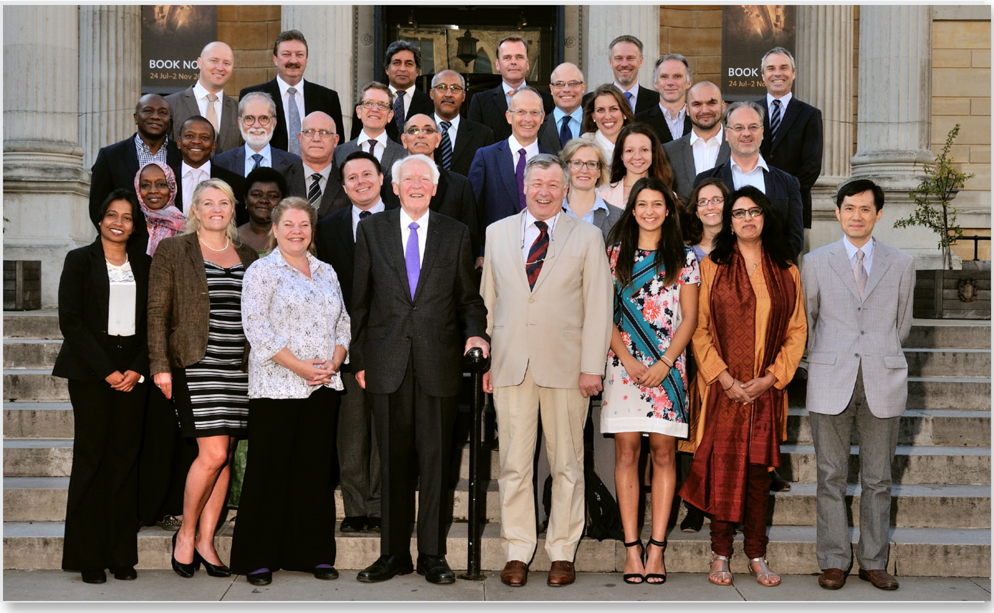
Oxford Seminar 2014

ecbi Tenth Anniversary Special



28-29 August 2014

Examination Schools, University of Oxford

ecbi

European Capacity Building Initiative

www.eurocapacity.org

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A DECADE OF CAPACITY AND TRUST BUILDING

Ten years ago, in September 2004, the European Capacity Building Initiative (ecbi) started operations with a pilot Oxford Fellowship programme in Magdalen College, Oxford. The Initiative has come a long way since this pilot event, and it has been remarkably successful.

This, however, is not the place to dwell on the ecbi's achievements in its first decade – they will be summarised in a forthcoming report. Instead, on behalf of the ecbi Member Institutions and Executive Committee, I would like to take this opportunity to express our gratitude to the many people who have been responsible for the Initiative's success.

It is impossible to do justice to each one individually, but first of all I would like to thank all those who have dedicated their valuable time to participate in our activities. Without them there would be no ecbi.

I would also like to express our special appreciation to past and present members of our Steering/Advisory Committee: Bo Kjellén (Sweden), the late and much lamented Mama Konate (Mali), Farrukh Khan (Pakistan) who has sadly left the climate change negotiations, and Pa Ousman Jarju (The Gambia) who unfortunately had to cancel his participation in this year's Fellowship at the last moment, but sent us an address that is reproduced in this report. Without their guidance and support, particularly in our fundraising efforts, the ecbi would not be where it is today.

When my old friend Saleemul Huq and I came up with the idea of the ecbi, we knew that we were entering unchartered waters, and that it would be difficult to find donors willing to take the risk of funding our proposal. This is why our particular gratitude goes to the ecbi "founder donors": the Swedish International Development Cooperation Agency, the German Gesellschaft für Technische Zusammenarbeit, and the UK Department for International Development, and in particular to Mirjam Palm (Sida), Lorenz Petersen (GTZ), and Josceline Wheatley (DfID), who were willing to take the leap of faith.

I would also like to thank the individuals in ecbi member institutions who have made success possible through their dedication to what our Swedish founder mentor Bo Kjellén refers to as the "ecbi spirit" in his speech below.

Last, but by no means least, I wish to thank my dear friend Manjeev Puri, twice ecbi Fellow, who travelled all the way from Brussels, where he serves as the Indian Ambassador to the EU, Belgium and Luxembourg, to attend our anniversary dinner and share his impressions of the ecbi (also reproduced in this report).

The ever-growing network of partners is the backbone of the ecbi, and I hope we will be able to continue to live up to the expectations raised by this year's Seminar, as witnessed in the testimonial by Kishan Kumarsingh, Co-Chair of the Ad-Hoc Working Group on the Durban Platform: *"[T]he discussions proved to be particularly innovative in addressing some of the more complex issues involved in the climate change negotiations, and arriving at promising solutions… . I was struck by the candour and out-of-box thinking that can only augur well for arriving at consensus and full agreement. This seminar has proved once more, and even more so this year, its critical role in bringing some of the major individuals in a common format to arrive at greater understanding in the climate change negotiations."*

Benito Müller, ecbi Director

REPUBLIC OF THE GAMBIA
MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, WATER & WILDLIFE

From the Minister

Ambassador Bo Kjellén, Co-chair of the ecbi Advisory Committee, Dr Benito Müller, Director of the ecbi, Your Excellencies, Ladies and Gentlemen,

I extend my heartiest congratulations to the ecbi as it celebrates its tenth anniversary. This remarkable Initiative has delivered a decade of sterling service to the climate negotiations, to developing country negotiators in particular, in promoting a level playing field and building trust in a process that is otherwise fraught with mistrust.

I have personally been associated with the ecbi for almost the entire decade of its existence. The Initiative has been a constant and invaluable companion in my journey from junior negotiator for The Gambia in 2005, to lead negotiator, LDC Chair, Special Envoy, and finally Minister of Environment, Climate Change, Water Resources, Parks and Wildlife in my country.

The Initiative has helped me, and many other negotiators, understand the complexities of the climate negotiations, and to develop personal relationships across countries and Groups to enable us to communicate as friends. Today, the ecbi is rightfully proud of many climate change experts who joined the negotiation process as junior negotiators, and were helped along the way by the Initiative's capacity building workshops, seminars and publications.

The LDC Group, in particular, has benefitted from the ecbi's workshops and bursaries, which have helped the Group cultivate experts in each complex strain of the UNFCCC negotiations. The constant support provided to the LDC Chair over the past years has helped the Group grow from strength to strength, and institutionalise many essential activities. The LDC Paper Series, published by the ecbi with LDC negotiators co-authoring papers with global experts, is an excellent example of how the Initiative utilises the capacity it has built over the years.

As we negotiate the perilous months towards a 2015 climate agreement and its implementation in 2020, the ecbi's support will continue to be crucial. While commending SIDA, CDKN and GIZ for the financial support they have provided ecbi over the years, I can confidently say that the Initiative provides value for money through its activities, and is unique in its capacity to build bridges and engender trust.

I am grateful to the ecbi for its contribution to the UNFCCC process, and wish the Initiative continued success as it celebrates this important milestone.

Pa Ousman Jarju, Minister of Environment, Climate Change, Water Resources, Parks and Wildlife

सत्यमेव जयते

Ambassador of India to Belgium, Luxembourg and the European Union

Speaking Notes for Ambassador Manjeev Puri on the occasion of the dinner to celebrate the tenth anniversary of the European Capacity Building Initiative (ecbi) at Rhodes House, Oxford, on 27 August 2014

Dr. Müller, Director, ECBI and Friends,

Thank you for giving me the opportunity to speak at this dinner to celebrate the tenth anniversary of the ecbi. I am very happy to be here and reconnect with so many friends with whom one had spent countless daylight, and I daresay nighttime, hours during the long, arduous and almost never-ending climate change negotiations. Coming to Oxford and being able to soak in its history, tradition and scholarship is a great experience. Seeing Anju, with her excellent work on the post-2015 development agenda, and you and spending quality time with both of you is always a pleasure. When to all of this is added the lure of speaking at the Rhodes House and the good food, I guess one has all the ingredients for my being here.

But I am here just for this night, having arrived a few hours back and with an early morning return train, and I am based in Brussels, the capital of Europe with its own history and centrality, not to mention Michelin star restaurants. There had to be, therefore, something much more powerful to draw me all the way to Oxford just for a few hours and that too, if you don't mind my saying so, spent in a student bed in a room reached after climbing two flights of narrow stairs, no matter the antiquity of Merton College.

I have no hesitation in saying that the pull was the ecbi and your outstanding work, Benito, at its helm, in helping find the way forward through multilateralism on one of the bigger challenges of our times, climate change.

As someone who has participated in the Fellowship on two occasions, I have had the occasion to witness and experience for myself how the ecbi and your leadership has built capacity among all of us from the developing countries. These sessions helped deepen our domain of knowledge and widen our perspectives with an understanding of each other's viewpoint. This is something I believe is absolutely essential if one has to move forward with others.

The interactions with colleagues from the developed world in closed and no holds barred settings have furthermore allowed us to speak to each other and not at each other. Indeed, Ambassador Chandrasekhar Dasgupta and many others have noted that the Fellowship has provided a unique platform for a real conversation among climate change negotiators from the developing and developed countries, in particular from the EU.

I cannot but agree with this assessment. But, I believe, that your role Benito and that of the ecbi has been much more than that. You have used your presence in the room where we were conversing to push us into finding solutions, including through deliberate and well thought-out suggestions. And, thereafter, you followed this up by putting down on paper the ideas and approaches agreed in the Fellowship. These then became the basis of solutions that have been agreed at the UNFCCC during the past few years on several vexed issues.

I was here in 2006 when all of us from the G77 sat together and drew up an approach on the governance of the Adaptation Fund. The next time I was around, in 2010, we worked on financing and Benito gently but persuasively brought in the idea of a Standing Committee, drawing from the structures of the Indian Parliament. In both these cases, conversations with colleagues from the EU has resulted in forward movement, something I believe is imperative if we are to move forward on climate change and preserve multilateralism. For this I have only the highest tribute to pay to Benito and to ECBI.

I also recognize the contribution of each and every one of us in these efforts, as delivery of this progress was a result of our actions. And, of course, in this we ensured that our national interests are protected while at the same time progressing global good through multilateralism.

Dear Friends, I come from a country which has been at the forefront of multilateralism from the word go and stands by it in the strongest possible terms. On 4 August 1914, German troops crossed the border into Belgium and the First World War began. Very soon they had nearly crossed Belgium and were at the Belgian-French border where they were halted near the small town of Ypres. I don't know how many of you are aware that more than 130,000 soldiers from India were deployed at the Ypres salient from October 2014 onwards and bore the brunt of the German attack. We lost some 10,000 of our soldiers in the miserable conditions of trench-warfare in the next six months or so. Our soldiers also endured the first gas attacks.

India was a participant in the Versailles peace conference held at the end of this Great War. And, an Indian, Maharaja Ganga Singh, is a signatory of the Versailles peace treaty. Even though a colony, and setting a new precedence in international law, India became a founding member of the League of Nations. And, after the Second World War, India was present at all of the United Nations conferences and signed the UN charter when it was concluded in San Francisco in 1945.

Today multilateralism appears to be challenged on many fronts. We see efforts to set up trade partnerships, which some think will take on the WTO, we hear ever shriller voices often enough to act without UN go-ahead and even in the area closest to us, climate change, there are attempts to push solutions outside multilateralism.

I have little doubt that the next year, 2015, will be a particularly challenging one, both on issues of international peace and security and development. We will be working toward agreeing on a post-2015 development agenda, on a way forward on climate change and the UN will be marking 70 years of its existence. While many may wish that all of these matters are approached from the heart, the truth is that the negotiations are in the context of global governance and each of us is mandated with responsibility to ensure that the objectives of our countries and peoples are placed foremost. At the same time, I believe, we need to progress common good for humankind. For me the way forward has to be multilateral.

In such circumstances, of course, with special reference to the UNFCCC conference in Lima later this year and Paris at the end of next year, I believe that the critical need of the hour is to strengthen the abilities and efforts of an initiative like ecbi and Dr. Müller. They have done yeoman service in the cause of global good and deserve all support, in particular in the lead up to the UNFCCC conference next year in Paris.

Thank you.

[*Note: The speech was delivered extempore with several add-ons and changes, which have not been recorded]*

Building capacity and trust: A broad view of the first ten years of ecbi

Speech by Ambassador Bo Kjellén on the occasion of ecbi's tenth anniversary dinner at the Ashmolean Museum, Oxford, on 28 August 2014

Dear friends,

Building capacity is a many splendoured thing, with many different components. My point of departure is that it is not a one-way street, but a mutual learning process.

The American poet Carl Sandburg put the challenge well in his long poem The People, Yes, with the line: "An expert is a damned fool a long way from home".

Anyone dealing with capacity building has to reflect on this. Sure, it is a transfer of knowledge, skills and know-how from the expert to the target group. But the expert far away from home has to be modest and realise that she or he can only give good advice if it is responsive to what people do at the local level.

We all need to learn, all the time.

This is particularly true about climate diplomacy. I know, because I have been there for 25 years. And I can assure you that the people starting the negotiations of the Convention in the Westlands outside Washington had very different backgrounds and very vague notions on how to proceed. It was learning by doing for all. This state of affairs had one great advantage: we understood that the personal capacity to make a positive contribution was not linked to nationality, or to the size of the country, or which group you represented. We were general diplomats, climate scientists, development bureaucrats. But we all began to understand that we were not, and are not, ourselves the agents of change in societies around the world. That job belongs to the people on the ground, local politicians, farmers, workers, drivers. But international cooperation is necessary to provide them with the tools, in a globalising world.

The idea of ecbi was initiated in 2004, before we even knew if the Kyoto Protocol would ever enter into force. It was an act of faith, because Benito and a number of others felt that for climate multilateralism to be efficient, it required capacity building and trust building.

Some funding agencies (in Sweden, Germany, France, etc.) saw the potential of the approach and helped support the initiative early on, and ecbi became a reality. Funds from Sweden, France, Germany, UK and others have been flowing off and on over the years.

There are certainly other institutions and programmes working on capacity building, as seen in the many conference decisions on the subject. But I believe that ecbi is unique through its specific approach, recognising the need for action both on young diplomats and experienced leading negotiators, for capacity building among less experienced negotiators and for trust building among those with major responsibilities; and all the time insisting on the need for mutual learning – permitting experts to act as experts, and not damned fools wherever they are.

This would not have happened without the contributions of extraordinary people, negotiators, and friends from all countries. I can't mention all who have given so much of their experience and imagination, but in my mind one remains a symbol, Mama Konate. Mama became a personal friend, as we co-chaired the Advisory Committee together. He was a respected colleague and a very kind man. We miss him very much.

The informal approach of the ecbi, the recognition of the values of the pleasant gatherings like this one, not for its own sake but for the friendship and understanding among negotiators who are by definition not more than middle-men and -women between the desirable and the achievable. We have the Chatham House rule as a practical tool to enlarge the scope of our common reflection.

We share a common conviction: that science tells us that we are faced with a threat unlike any other threats. The Anthropocene is here and it requires a new kind of global diplomacy, emerging in the midst of a world in turmoil. It is a diplomacy that has to co-exist with traditional security policy, but it has to be strengthened all the time; and it has to be based on multilateralism; and it has to pave the way for fundamental changes in our societies so that they will be sustainable.

The ecbi is a part of this global effort, and we are in it together, with partners like IIED – saluting the role of Saleemul Hug and Achala Abeysinghe – the Legal Response Initiative and others. But someone had to start it and to see the needs of the negotiations and to have the inspiration, imagination to craft the style of the endeavour. Benito, you have used all the tools of your own capacity to create the very special idea and approach of the ecbi, using your background in philosophy, with the inspiration to see the crucial issues emerging beyond the horizon. You have built a structure which has been flexible enough to adapt to the changing context and needs of the negotiations, yet form enough to permit continuity of the process, with sound scholarship at the centre of the process, and with Oxford and its incomparable beauty as a symbol.

We owe you so much. It suffices to see the lists of participants in these gatherings to measure the full impact of ecbi, which is described in detail in the paper on accomplishments, The First Ten Years. No one else could have done this, but I also want to say that it could not have happened without Anju and her formidable, multiple capacities, and the support of extremely competent administrative staff, symbolised now by Karin Cheetham.

The ecbi has helped us to remain experts, also a long way away from home.

Thank you.

REPORT OF THE 2014 OXFORD SEMINAR

The tenth ecbi Seminar took place on 28 and 29 August 2014 in the University of Oxford Examination Schools. A three-day Fellowship Colloquium took place before the Seminar, from 25–27 August, in Merton College, Oxford, with 13 Fellows (senior negotiators from developing countries). The Fellows and 16 senior negotiators from Europe took part in the Oxford Seminar.

The discussions during the Seminar focused on the general architecture of the 2015 Paris Agreement and on mitigation, finance, and adaptation. During the Fellowship Colloquium, the Fellows also came up with a 'contribution cycle' for the 2015 Paris Agreement, which was discussed with European colleagues during the Seminar. An agreement on these issues will be a keystone in the architecture of the Paris Agreement.

This report summarizes the discussions (moderated by Rhian Cadvan-Jones) that took place during the Seminar. Introducing the Seminar, ecbi Director Benito Müller explained that the aim of the meeting was not necessarily to reach an agreement, but to understand each other's positions better. He said that the discussions during the Fellowship had generated a set of questions on each issue, and these would be put forward by the developing country negotiators to their European colleagues at the Seminar.

1. The 2015 Paris Agreement: General Architecture

The first session focused on the general architecture of the 2015 Paris Agreement. The Fellows put the following questions forward for discussion:

- What is your understanding of the term 'legally binding' and its application in the Agreement?
- Should the Agreement make it possible for contributions to be bound by international law? If so, how could this be done and how can it be made as easy as possible?
- What is your expectation of differences in engagement under the Agreement between developed and developing countries?

What is your understanding of the term 'legally binding' and its application in the Agreement?

A European participant initiated the discussion, saying that while the question is relevant, ensuring a legally binding agreement should not be considered a goal in itself. Instead, he emphasized a need for the broadest possible participation to achieve the best climate change result. He warned that experience with the Kyoto Protocol has shown that a legally binding agreement does not necessarily result in a broad scope, and that the focus should instead be on making the Agreement legally binding at the national level, given that some countries do not want to be bound by international agreements.

Müller remarked that the advantage of an Agreement that was bound by international law ('internationally legally bound') was that its longevity could be ensured by making it less dependent on domestic political changes; a clearer signal would consequently be sent to domestic actors – such as investors – that rules and targets forming part of such an Agreement would last. While indicating that inclusion of the potential to make aspects of the Agreement internationally legally bound would serve to enhance trust between countries that they intended to stick to the Agreement, he noted that there would be various elements of the Agreement, of which only the core would need to be legally binding.

A European participant said it was probable that contributions would be nationally determined, as some parties will not agree to an international legally binding agreement, but that countries should come forward with the best they can offer and be willing to revise their contributions. He also emphasized the importance of effective compliance systems.

Another European participant agreed that a legally binding core will be necessary for the Agreement and said that there will have to be soft and hard provisions within that core. He added that it would be useful to discuss the arguments for and against a legally binding agreement, for greater clarity on both sides.

A European participant said that the ultimate objective of the negotiations is to achieve impacts on the ground in dealing with climate change and that an international legally binding agreement is necessary for effectiveness, liability, and trust. She suggested that the idea of national legally binding agreements was mostly promoted in the context of the US, but that getting the US on board should not be the only concern. She reported on a recent meeting in Berlin at which the US indicated that their contributions were likely to be in the form of several packages that would be difficult to assess in the international context.

A Fellow claimed that the term 'legally binding agreement' did not necessarily just describe a choice between black and white, it also included many shades of grey. Pointing out the fact that international law is mostly both soft law and voluntary, she encouraged practical solutions that considered the different shades of grey, rather than allowing the creation of a false dichotomy.

A European participant agreed that it was important to send the right signal to investors who could achieve the energy transition. Another European participant emphasized the need for a lasting agreement aimed at keeping any global temperature rise within 2°C. He emphasized the need to analyse the concerns of countries that are opposed to a legally binding agreement, rather than lowering the bar and aiming for the lowest common denominator.

A European participant said the proposed Agreement should be made to last, be ambitious, and aim for broad participation. A treaty that is legally binding but weak should be avoided this time.

Another participant added that when it comes to a legally binding agreement, the US and developing countries could be seen as the two elephants in the room. Noting the earlier comment regarding the Berlin meeting, he said that if the US is not even able to agree to a domestic legally binding agreement, it should be asked not to obstruct those countries that would like a legally binding agreement; it should instead step aside and join when it can. He remarked that it would be counterproductive if the agreement were to be diluted to accommodate US concerns, as the US cannot deliver in the end.

A European participant was more optimistic about US willingness to take on domestic legally binding contributions, saying a legally binding agreement that explored the shades of grey is doable in Paris. He noted, in particular, the need for transparency rules for domestic contributions – and the need to focus on transforming the international system that produces the emissions, rather than simply on controlling emissions.

A Fellow agreed that talking about the Agreement's legal status in black and white terms was putting off countries from having a real conversation on other possibilities.

A European participant said that an international legally binding agreement would also pose problems in her country; legally binding elements should only apply to actions that a country has determined it can achieve domestically.

A Fellow remarked that a better understanding of the reasons why international legally binding contributions are a problem would help in finding solutions – asking whether it is a fear of international rules or of the magnitude of the commitment that is to blame.

The European participant clarified that any conversation should be on the basis of what countries have determined they can bring to the table. Saying that there is confusion about what the term 'contributions' refers to, she stated that the term refers mainly to 'mitigation contributions'. Although some countries do need financial assistance, this assistance is not at the very core of the issue of 'contributions'. She emphasized again that a Kyoto-type agreement would not be acceptable to her country.

A Fellow pointed out that the ultimate objective of the UN Framework Convention on Climate Change (UNFCCC) is to stop harmful climate change. She asked what would happen next if those actions which countries say they can achieve are actually insufficient to meet this objective – as was the case with the Copenhagen contributions.

Another Fellow asked again for more clarity on why countries are opposed to an international legally binding agreement despite the fact that the international law is soft law, saying that it would not be possible for her country to come up with its mitigation contributions unless financial contributions are confirmed. She remarked that if countries were to be guided by nationally determined ambition rather than science, the result would be cherry picking and a race to the bottom.

A European participant said that leaving the US behind was not an option; strategic diplomacy and thinking is necessary – beginning with what countries can agree on before moving on to how countries can do more. Noting that 'perfection can be the enemy of the good', he said that starting from perfection could mean dropping the ball again.

In response, Müller remarked that the worst is a worse enemy of the good. He agreed that the US is a very important player – while adding that it is a problem if it will only get involved if participants are able to do as they like.

Another developed country participant agreed that involvement cannot be an end in itself; agreement in Paris has to be more than just an Agreement at any cost.

A European participant asked what the purpose of an international agreement was: should it map out what everybody does, or set out maximum ambition? He said the US was very serious in wanting a useful agreement; they had said in Berlin that their actions would be anchored in national legislation in multiple ways rather than just one. He added that he was not trying to defend the US but stressed that it was important to listen to what they said.

A Fellow remarked that he would not bank on US commitment and added that it was important for the EU, as a trustworthy partner, to talk with one voice. Another Fellow stated that an effective agreement with ambitious commitments, broad participation, and compliance should be the goal.

A European participant, responding to an earlier question on what would happen if nationally determined contributions were insufficient, queried the role of the UN in solving the climate problem entirely during the next 18 months, saying that the Paris Agreement can, at best, only initiate a pathway for solving the problem.

A Fellow said she recognized that some parties may have legitimate concerns, but asked how these concerns could be overcome to ensure participation, ambition, and an agreement that was legally binding.

A European participant pointed out that the US and China together represent 50 per cent of global emissions, and cannot be wished away in any agreement. Expressing surprise that the term 'commitment' had been changed to 'contributions', he said no one had objected to the use of 'commitment' in the UNFCCC or in the Kyoto Protocol, and that we need to move to a situation where we don't have to be so afraid of commitments.

A Fellow remarked that the different 'shades of grey' describing the extent to which an agreement could be legally binding in the international context could cover differentiation between countries.

A European participant said that the numbers contributed by countries should be taken seriously and not assumed to be merely aspirational goals.

Should the Agreement make it possible for contributions to be bound by international law? If so, how could this be done and how can it be made as easy as possible?

This discussion examined ways of making the Paris Agreement legally binding – focusing on potential alternatives to the long ratification process of the Kyoto Protocol model. Introducing the session, Müller proposed that one option would be to have a new Annex that allows parties to list themselves and automatically signal that they are internationally bound, along the lines of unilateral declarations. He added that this would avoid the need for ratification every five years, while retaining the option (for countries that prefer a legally binding agreement) of being legally bound. Even if the Annex remains unoccupied, he stated, the architecture itself should not constrain the ambition of parties in favour of legally binding contributions.

A Fellow added that, in the context of considering the 'shades of grey' of the legally binding nature of certain aspects of the Agreement, it is necessary to consider how contributions or commitments will be inscribed, together with the ideal 'sequencing' of legally binding rules and commitments.

A European participant said that a better sense of what countries are going to bring to the Agreement is necessary, before considering how to capture the contributions in Paris. He encouraged participants to go beyond thinking in terms of marginal changes in emissions reductions, and think instead of the deep transformation that is needed to address climate change, noting that the Kyoto Protocol model is probably too simple to deal with the complexities and depth of change required.

What is your expectation of differences in engagement under the Agreement between developed and developing countries?

Recounting discussions during the Fellowship, Müller said that while the expectation is that there will be some form of differentiation between countries, the nature of this differentiation is not yet clear. Noting that the categories of 'developed' and 'developing' are used in a loose way in discussion, Müller queried whether an explicit definition of categories was necessary, or whether the commonly used terminology of 'less developed', 'developing', and 'advanced developing' countries would suffice. He added that the use of common sense terminology, instead of precise categorization through (new) Annexes, could help overcome political hurdles – such as the more advanced developing countries having to give up G77 membership altogether.

A Fellow added that differentiation is also necessary in terms of the obligations of parties; these obligations do not just relate to emissions reductions, they also include contributions to finance, adaptation, technology support, and capacity support. He noted that differentiation – based on the scale of contributions, the scope of contributions, and also the degree to which the contributions were 'legally binding' – would therefore take place.

A European participant claimed that some countries hide behind the notion of being a developing country, and that the wall between developed and developing was no longer applicable in the new world.

A European participant said that while one size may not fit all, two sizes may not fit all either, and there may be a need for 200 sizes. He emphasized the importance of transparent rules, with common elements for transparency, for all countries.

Another European participant remarked that more shades of grey were also needed to replace the black and white division between countries. He said that there should be no backsliding – where countries started with high ambitions which then slipped. Instead, there should be evolution, where more and more countries move to increasingly ambitious contributions.

A Fellow maintained that the provisions of the UNFCCC should guide the discussion on differentiation.

Another Fellow said that climate change is a matter of survival for some countries. Emphasizing the responsibility of the international community to respond, he added that ambition in addressing climate change should not be based only on national decision making. An international response in the form of a legally binding treaty is necessary to give a level of comfort to the countries most threatened by climate change. Moreover, he said that the treaty should provide the flexibility for national contributions to be modified on a regular basis, without the need for ratification every five years, and that countries should automatically roll into a higher level of differentiation when their situation changes.

A Fellow reported that many developing countries are doing a lot on mitigation – in some cases more than developed countries – without rephrasing or changing categories. Attempts to re-categorize countries would complicate the process, he said.

Another Fellow highlighted the importance of thinking not only of the present, but also of the past and the future when discussing differentiation, and of not forgetting historical responsibilities for climate change, despite the 'toxic' nature of discussions on historical responsibility.

A Fellow highlighted the importance of not only raising ambition, but also of realizing ambition. He said his country is in favour of keeping the Annexes.

Müller noted that the Annexes are based on political clubs rather than on 'objective criteria'. The problem was that while, on the one hand, non-Annex I countries are not similar and should not be treated similarly, on the other hand, most of them wanted to retain the Annexes. He proposed 'constructive ambiguity' by using terms such as 'poorer', 'less developed', and 'more developed', followed by the use of peer pressure to encourage countries to go to the groups where they ought to belong.

A European participant remarked that the separation between 'developed' and 'developing' leads to a position where a prosperous country like Andorra can ask for funding for their national communications from the Global Environment Facility.

A European participant said that while no one questions the need for differentiation, there is no agreement on what we should put down on paper. Rather than talking about categories, she maintained that the discussion should focus on differentiation based on fairness and responsibility, adding that once countries announce their contributions to mitigation, finance, and adaptation there will be an assessment – both an official assessment and one driven by civil society – on whether the contribution is fair. She felt that the differentiation issue would be resolved in that way, rather than by putting countries in boxes, but noted that the discussion would get more complicated when the extent to which the Agreement would be legally binding is discussed.

Another European participant added that differentiation is a key issue for the Paris Agreement, but that it cannot be solved at the last minute. It would therefore be important to have the conversation in Lima later this year. He said that he did not think the UNFCCC principles would be challenged, and most countries were looking for new lists, rather than new categories; these lists would be based on self differentiation, where countries themselves decide where they fit in. This would then become part of a series of steps that can be built upon, including through accountancy and transparency rules. On financial support, he added that some countries would continue to need support while others, including certain developing countries, will do what they can do without support. He maintained that a clear understanding of what countries can do is important, before coming to the question on what more could be done with financial support.

A European participant stated that differentiation on the basis of responsibility and fairness will take place – not only on the basis of who contributes, but also on who receives.

A Fellow remarked that the differentiation in the Annexes is still appropriate, with some exceptions. Revisiting the discussion on the Annexes would be a non-starter, and make the road to Paris bumpy. He did recognize, however, that some countries could do more, and that developing countries could also contribute by sharing their expertise in dealing with climate issues – as seen, for example, in the REDD programme. He added that while, for a vulnerable country like his, it made no difference whether emissions come from the US or China, it was more difficult for him to reach out to a middle-income country such as China and tell them to do more, when developed countries have not lived up to what was expected of them. Emphasizing the importance of sequencing, he said that unless developed countries do their share, it would be difficult to ask developing countries to contribute more.

Another Fellow remarked that the point raised earlier (whether countries are undertaking their fair share) is important, and the Africa Group had put forward a proposal on how to determine the fairness of contributions. Rather then reopening the Annexes, he said the discussion should focus on how to increase the belief that parties can contribute more, irrespective of the Annex or box they are in.

Müller suggested that self-differentiation by countries is unlikely to lead to a fair outcome – this would include, for instance, decisions on who should receive and who should contribute finance.

A Fellow said that low ambition is not just a problem which affects developing countries, and all countries should collaborate in reducing emissions, while realizing the importance of other obligations of finance, technology, and adaptation. He said that the new agreement should have its own annexes that will also take such obligations into account.

A European participant pointed out that the concept of fairness and justice is the cornerstone of the UNFCCC, but this should also be applied nationally.

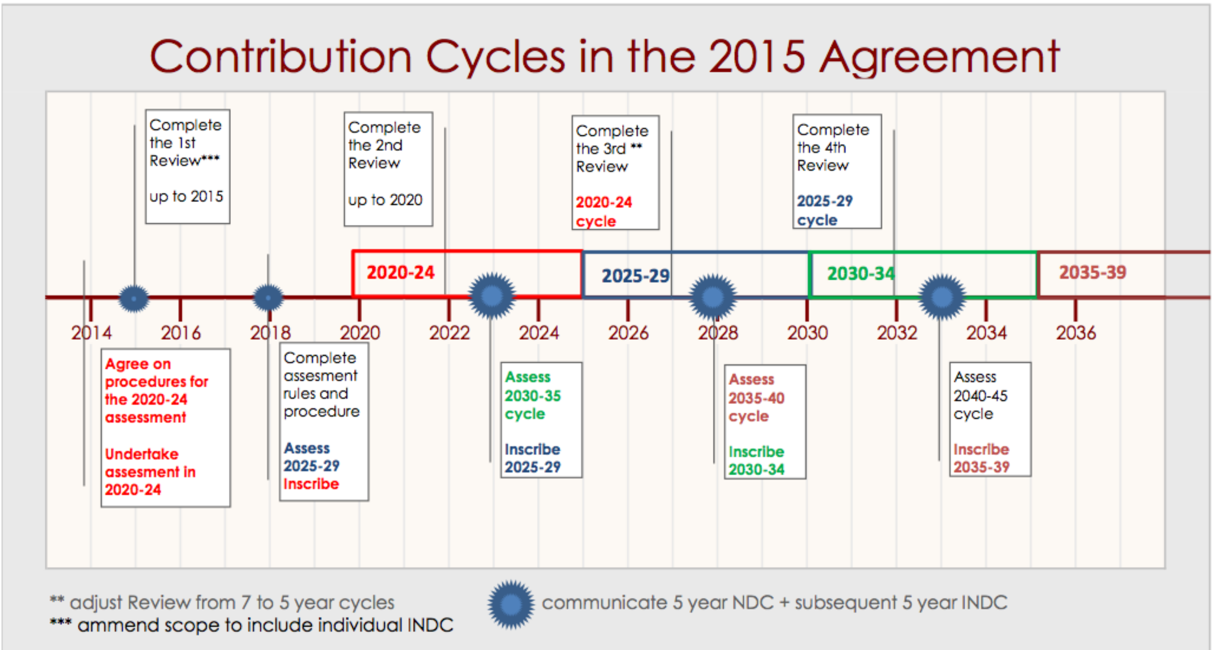
2. A contribution cycle for the 2015 Agreement

This session was introduced by a developing country Fellow, who highlighted the following questions on the cycle of commitments/contributions:

- What should be the purpose of the cycle of commitments/contributions?
- Should there be a review? If there is to be a review, should this be reflected in the agreement or decided later?
- How could the acknowledged purpose of the cycle of commitments/contributions be best achieved?
- What should be the time period of mitigation commitments/contributions?

Introducing Figure 1, he declared that the developing country Fellows had agreed on the desirability of having five-year contribution terms. Giving the example of one term, for instance 2025–29 (blue rectangle), he said that an ex post review of the performance in the preceding term (2020–24) would take place during the first two years of the term (2025/26). In the third year (2028), countries would determine their final Nationally Determined Contributions (NDCs) for the next term (2030–34) on the basis of that review and of an ex ante assessment in 2023/24 of the intended (2030–34) figures. At the end of the third year (2028), they inscribe these NDCs, and simultaneously submit their Intended NDCs (INDCs) for the subsequent term (2035–39). The latter will undergo an ex ante assessment during the last two years (2028/29) of the term.

Figure 1: Contribution cycles in the 2015 Agreement



Müller added that one problem identified by the Fellows during their discussion was that once a country puts forward a contribution that has been agreed at the highest level nationally, it is difficult for the contribution to be changed on the basis of any ex ante review carried out internationally. This was why the Fellows had come up with the idea of creating a dynamic cycle, and putting forward indicative figures for their INDCs (figures that had not yet been firmed up nationally for the five years following the next term), at the same time as they inscribe the contributions for that next term. Once the future indicative figures are assessed ex ante, they can go back to the national level for potential revision and adjustments on the basis of this ex ante assessment and the ex post review, before endorsement at the highest national level.

A Fellow added that the proposal was based on the experiences of the sulphur dioxide cap-and-trade programme in the US which considered two term cycles at one time. He suggested that a big flaw in the Kyoto Protocol was that it only took one commitment period into account, and added that a five-year cycle is likely to be in step with government planning cycles in most countries.

In the discussion that followed, a European participant maintained that while it is important to have a cycle with a common time frame, the time frame has not yet been agreed. One potential problem with the proposed cycle, he said, was that the first five-year period would not be assessed, which would lead to a potential loss of ambition.

Müller replied that there were different opinions among Fellows, which is why two options were proposed in Figure 1.

A European participant claimed that proposing contributions for one cycle was very challenging, so proposing contributions for two would be even more complex. A Fellow replied that the second contribution is only an indication, and countries are not tied to it.

Another European participant asked whether the main lessons from past reviews were taken into account (as many were not successful), and what incentives countries would have for the assessments.

A Fellow said that the ex post review would be based on scientific evidence – with a possible review of the cycle of the Intergovernmental Panel on Climate Change. Countries would be encouraged to review their indicative contributions, based on the review.

A developing country Fellow remarked that they had had a long discussion on how to have the first cycle assessed. One idea had been to have a provisional process for the first cycle, but to take more time to design a future permanent cycle, in order not to compromise the long term for short-term benefit.

In response to a question on the scope of the review, a Fellow said that they had not discussed each of the thematic areas, and there should also be a discussion on the level of prescriptiveness of different contributions.

A European participant claimed that such models of revision cycles relate to mitigation, while different cycles would be needed for other elements. He added that the idea of the cycle is interesting, but countries are unlikely to revise what is already agreed – for instance, changing indicative figures would be a political problem within the EU. He asked what incentives countries would have to review targets upwards.

A Fellow once again emphasized the indicative nature of the figures proposed for the second five-year term. He also said that while countries may have to revise their contributions because of extenuating circumstances – such as changes in rainfall patterns limiting plans to use hydroelectric power – pejorative terms such as 'backsliding' should be avoided in such contexts.

A European participant remarked that the proposed cycle is attractive, but it would need further consideration to see, for instance, how it would fit into the planning cycles of the EU.

Another European participant agreed that the cycle shows dynamism, which was lacking in Kyoto. He proposed keeping an overall long-term goal, for 2050 for instance, within sight as part of such a cycle to send a clear signal to the investment community for transformational change. He said that the cycle should also factor in potential future changes in technology or finance that would enable countries to do more than had been planned.

A Fellow responded that while longer-term perspectives are more difficult for developing countries to predict, a general direction of the curve to 2050 could be factored in. Müller suggested that the longer-term goal could be factored into the cycle in the context of the scientific assessment.

A European participant said that he understood the proposal of the cycle of contributions as having three objectives: to avoid any assessment in the first period; to push back communication after Paris (which was the position of Brazil and South Africa, but was contested in the negotiations); and to move from ten-year planning cycles to five years. Challenging the notion that countries would find it difficult to put forward offers that they would then review and change, he claimed that this might be possible in some countries, which are willing to change because others have shown flexibility, or because they have trading opportunities. On pushing back inscription to after Paris, he added that countries might have raised this with good intentions because they think there won't be time to inscribe, but he thought it would be possible. On the subject of five or ten year planning cycles, he maintained that the EU favours a longer-term cycle to provide certainty for investors.

In response, a Fellow remarked that the objectives of the proposal were completely opposite to those noted by the previous speaker. The intention was not to avoid the assessment for the first period in the cycle, but rather to enable a provisional assessment of the first period, while keeping the option open to improve the assessment process for the second period. Secondly, the intention was not to push back communication to after Paris, but rather to consider how to be able to inscribe before Paris, without comprising the ability to be even more ambitious after Paris, and after having a robust assessment. She said that concerns not to compromise a stronger regime in the long term for short-term reasons was important in this context. On the third attributed intention, she added that the purpose was to find a way to accommodate the strong position of countries that say they cannot commit to a 10-year cycle, while still sending long-term signals to the investment community. The real advantage of the 5+5 cycle proposed is that it allows an ex ante review in the middle; this could help in increasing ambition if it is carried out meaningfully.

A European participant declared that the proposal for a five-year cycle could fit well with parliamentary processes for mitigation but not for finance, as budgetary cycles could be different. Another European participant remarked that while the cycle is logical in the context of mitigation trajectories, it could create an incentive for not achieving more than is proposed, or of giving away too much too early. He asked how countries could be rewarded for achieving goals early.

Müller suggested that one way of achieving this would be to let the countries sell their surplus. The European participant responded that while they had the incentive for carrying over in the Kyoto Protocol, this would no longer be the case.

A Fellow said that there was no prejudgment of what the cycle was to include, although in her view it would include finance.

A European participant maintained that it should be possible to put a number in the proposed agreement that is to be ratified, and it would be hard to convince the public that these numbers should be inscribed after 2015.

A European participant asked for a distinction to be made between emissions trajectories and financial contributions, saying that no finance ministry would be willing to make a financial commitment so far ahead

– although there have been exceptions (such as the law in his country which earmarks a proportion of the national GDP for Official Development Assistance).

A Fellow claimed that there has to be a reciprocal relationship between developing country mitigation, and the support provided. Another Fellow said that the five-year inscription and five-year indicative contribution cycle were meant to be a compromise between countries that wanted a five-year cycle and those than wanted a ten-year cycle. He agreed that a longer-term goal and trajectory could complement the cycle.

Some European participants argued that the concept of 'no backsliding' would have to be incorporated in the legal framework, using a different term if the word backsliding is considered pejorative, although this was a secondary issue that should not dissuade parties from contributing.

3. Mitigation

Müller introduced the following questions for the session on mitigation:

- How to ensure mitigation ambition?
- What substantive forms (spectrum, QELROs, or what?) of mitigation INDCs should be included in the Agreement?
- What legal nature for mitigation INDCs should be included in the Agreement (schedules, unilateral declarations, etc.)? What can be reflected, if at all, in decisions or decided later?
- Should there be differentiation in the handling of transparency of action? How does this complement an MRV framework and what should be included?
- Should long-term and collective aspects of mitigation be reflected in the 2015 Agreement, and if so how?

A European participant reported that discussions during the earlier session on a long-term goal on mitigation had been interesting, especially in the context of translating the 2°C goal to a more specific mitigation or greenhouse gas number, or a decarbonization target, to give a clear signal to investors. Such a long-term goal is also important to assess and review progress. However, she said, this quickly becomes a 'toxic' discussion when it comes to talking about which countries should contribute to achieving the goal.

A Fellow agreed that specific measures are needed to stay within a 2°C rise in global temperatures, and that a discussion on who contributes how much will be a difficult one. In addition, he asked how the legal effectiveness of each country's contributions will be ensured.

A European participant cautioned against turning the negotiations into a zero sum game, saying that instead of the 2°C goal, aiming for climate neutrality may be a better way to set a long-term goal.

Another European participant agreed that a long-term goal was needed, but countries should be allowed to choose how to get there.

Müller responded that developing countries distrust the way in which the effort required to reach a global goal will be shared, and a process of 'bottom-up revision' is necessary to build their trust that the process will be fair.

A European participant remarked that the long-term goal could be framed not only in terms of emissions (which tends to be a difficult discussion, as the Cancun conference showed), but could also be framed in the context of where we want to be in the future, and what sort of world it is going to be. He agreed that the issue of differentiation is important, but it needed a unified set of reporting and accounting rules.

A Fellow noted that the objective of the UNFCCC is to stabilize greenhouse gas emissions; however, stabilization alone is a low level of ambition, as it will still result in a continuous increase in temperature. He also emphasized the importance of taking historical responsibility into account, and of avoiding 'grandfathering' (allowing existing emitters to continue their previous levels of emissions while new sources meet new standards) when sharing the burden.

A European participant remarked that he preferred a GHG concentration figure rather than a temperature figure, although the 2°C goal is now established and serves a purpose. He supported a long-term goal based on what the future world should look like, and on societal change, saying that this could also be reflected in the Sustainable Development Goals that were being discussed under the UN for post-2015.

A Fellow maintained that the temperature goal could be used, for instance by reducing the current temperature increase of 0.8°C and dividing the remaining 1.2°C, to come up with an annual cap. He added that developing countries are in an early stage of development, and it would be unfair to have restriction for them.

A European participant responded that the discussion could also be based on who is responsible for the present concentration of greenhouse gases in the atmosphere.

Müller suggested that the climate change problem would be solved when renewables become economically viable; a long-term goal could therefore be based on the objective of making renewables competitive in all countries.

A European participant reported that he was part of the negotiations on shared vision, which was a difficult process. The inclusion of the 2°C objective in the Cancun Agreement was hard won, but had been a step forward in operationalizing the objective of the UNFCCC. He added that the temperature goal could be translated to a carbon budget in order to provide a benchmark for future action.

A Fellow declared that the discussion of a long-term goal goes beyond the science, and includes issues of finance and technology.

A European participant said, in the context of finance, that it was important to discuss how this transition will operate in the world economy, particularly with oil and coal remaining in the ground, countries still scrambling to get oil from the Arctic, and investing in fossil fuel production. He added that the difficult discussion with Saudi Arabia on the impacts of response measures would have to be approached in a much more general framework, with difficult political options.

4. Finance

The Fellows put the following questions forward on finance:

- What legal nature and substantive form of financial contributions should be made available in the Agreement?
- Should there be overall financial contribution figures, and if yes, how can we ensure that they are evidence-based and predictable?
- Should there be differentiation in who contributes and who receives, and if yes what type?
- How can we enhance MRV of support?
- How can we ensure that a significant amount of adaptation funding goes through the GCF?
- Who should pay for developing INDCs?

Introducing the topic, Müller said the session provides a chance to discuss issues on finance that are difficult in the negotiations – for instance, on whether finance contributions should be part of the INDCs.

What legal nature and substantive form of financial contributions should be made available in the Agreement? Should there be overall financial contribution figures, and if yes, how can we ensure that they are evidence-based and predictable?

A European participant claimed that developed countries are willing to include finance in the Agreement, but not as an order that they have to fulfil. He added that the US$100 billion commitment was an indication, and there was general agreement on how to share this and how much each country should pay. For his country, the funds would come as part of ODA, and it would be difficult for his government to convince the public that the money should go to richer developing countries. He remarked that long-term finance commitments were a problem because of budget cycles. Finally, he said, climate finance should not merely be equated to contributions to the GCF, funds channelled through other sources should also be counted – although over time the amount of finance to the GCF may increase.

Müller declared that the biggest problem with the present system is that there is very little predictability in climate finance, posing a challenge for medium-term planning in developing countries, as they have no idea of how much funding will be available. Developing countries also find it difficult to sign up to mitigation contributions without certainty on the finance that will be available. He recognized that developed countries have constraints, but invited participants to discuss how to overcome these problems on both sides.

A European participant suggested that a better idea of the financial needs, and of the gap that must be filled, would be useful for developed countries. He understood the need for predictability, but added that with no idea of what the finance is to be used for, committing the finance would be tantamount to writing a blank cheque. He noted that for his country also, contributions would mainly be in the form of ODA and he emphasized the difficulties of budget cycles and budget cuts.

A European participant maintained that there was no pathway or predictability for development finance either, that was just the way it is.

A Fellow emphasized that climate finance is not aid money, and should not be part of the aid and charity paradigm. He reminded participants that they were partners trying to solve a problem caused primarily by the developed countries.

Another Fellow agreed that climate finance is different from aid, and should be differentiated. He pointed out that mitigation commitments cost money. He asked how developed countries had determined their national share of the US$100 billion commitment.

A European participant asserted that there is no other way for his country to channel money to developing countries than as aid, and that helping developing countries mitigate is as much an aid paradigm as helping them to develop. He added that he did not understand why climate finance is not aid.

Another European participant said that while policies could be put in place to achieve mitigation commitments, and to compensate for short-term costs with long-term benefits, future budget allocations could not be earmarked. In principle, he said, no finance minister in the world would be able to say with confidence what the situation will be in 2025, and finance commitments can only be made for the short term.

A European participant said he agreed that climate finance was not aid, but development cooperation. His country recognizes the fact that if they do not allocate funds to climate change, climate change would undo the benefits of development cooperation.

Müller noted that while he fully understood that budgetary processes do not allow for long-term commitments, taking climate finance off-budget – by generating it through innovative sources, like international levies or domestic emission permit auctioning as in Germany – would be a simple solution.

A European participant added that his country was very interested in innovative sources, but the funds had to be channelled through the national budget.

Another European participant said that his government had agreed to allocate carbon revenues to development cooperation, but still as ODA.

A European participant explained that the US$100 billion figure first proposed in 2009 was based on various analyses of the costs of mitigation and adaptation, and took into account revenues from carbon finance, which did not eventually materialize. He added that predictability comes from using various sources, rather than just one, and called on developing countries to support efforts to raise revenues from the aviation and maritime sectors.

Noting that all countries have responsibilities in the changing world, he said that the Paris Agreement would simply not include legally binding commitments for finance. Because climate finance was provided for a purpose, contributing countries need to know what it is provided for, but developing countries cannot predict what their enabling environment will be in 2027. However, he understood that the developing countries needed reassurances on finance flows, and this could be achieved by focusing on short-term finance, such as contributions to the Green Climate Fund (GCF). A second element could be improved Measurement, Reporting, and Verification (MRV) for climate finance, so countries could be held responsible for what they provide. However, arguments that climate finance should be additional to ODA will not help in reaching agreement on what can be counted. He also pointed to the problem of funds that have not yet been disbursed, for instance by the Climate Investment Fund.

Müller highlighted the future role of the GCF in providing programmatic funding.

A European participant suggested that solutions might be sought from the experiences of the International Development Association (IDA) or the Development Assistance Committee (DAC) of the OECD. He also supported the idea of innovative sources of finance.

A European participant agreed that financial commitments could not be legally binding because parliaments cannot make promises which depended on future budgets.

A Fellow remarked that developing countries could make the best mitigation promises, but if they lacked finance, they would not be serious at all. He added that finance was a political issue, but also a practical issue. He thought that finance should be part of INDCs, but that the exact nature of contributions could be discussed. He asked whether the EU has a collective goal, or if individual countries have goals, with regards to finance.

A European participant noted that there is an internal mechanism to divide the US$100 billion, but that discussion is obviously easier internally.

A Fellow explained that they felt there was no progress on the US$ 100 billion precisely because it is a collective commitment. She added that collective commitments make it easier to free ride, as the EU knows. Developing countries can also make the argument that they can have a collective mitigation commitment and share it internally, but this would not be acceptable because of the problem of free riders. She said that having a collective goal is important, but countries cannot be held to account unless their individual commitments are known.

A European participant remarked that from a practical point of view, the INDCs would let both the world and the individual country know what can be done under a business-as-usual scenario, without additional funds. This will be followed by offers of what can be done if additional funds are provided.

A Fellow suggested that practicality is linked with politics and trade-offs, and one half cannot be expected to put their cards on the table without the other doing likewise.

Müller maintained that the funds promised in intergovernmental negotiations should be restricted to the public sector, because no government is able to make promises on behalf of its private sector.

A European participant noted the need to establish credibility on finance commitments, but explained that individual commitments (as opposed to collective goals) would not solve the problem, as treasuries cannot sign up to long-term financial commitments. He added that it would be hard to say that everything will be working before Paris, but asked what could be done before then to build credibility and move forward – such as achieving assurances on public sector finance, or more visible adaptation finance.

A Fellow suggested that one solution would be along the lines of the cycle of contributions proposed earlier in the context of mitigation, whereby short-term financial contributions are more concrete, and long-term contributions are more indicative. Discussing the legal nature of the contributions, together with MRV, would also be useful.

A European participant said that quantified legally binding financial contributions for the long term are not feasible, nor is advocating another kind of target – such as the percentage of GDP. Short-term assurances on what countries are doing for the GCF, for instance, are possible. However, the GCF cannot assure each country that it will get a certain amount of finance, and there will always be a question mark on how much each country will get.

A Fellow noted that finance is a sensitive issue for developing countries, and it should be included as an agenda item in Lima. He proposed discussing MRV, if talking about contributions is not possible, adding that the G77 has had a proposal on MRV on the table for two years.

Another Fellow highlighted difficulties in his country, and said that without support they would only be able to come up with empty, general INDCs.

A Fellow said that there was a lot to take from the discussion, including the conceptual principle of cycles with short-term robust contributions and long-term indicative contributions, and the issue of MRV of finance.

Should there be differentiation in who contributes and who receives, and if yes what type?

Introducing the question, Müller said that there was no discussion as yet on who will be eligible for finance from the GCF. While there was a sort of consensus that it will not be useful to create fixed categories in the mitigation context, a similar solution would be difficult in the context of finance. He explained that it would be difficult to exclude countries on the grounds of vague and nebulous language. He asked whether this discussion would be part of the Paris Agreement, saying the issue could also be passed to the GCF Board to determine who is eligible, with conference of parties (COP) guidance.

A European participant remarked that the discussion on differentiation in mitigation was similar to the discussion on support, but agreed that the GCF Board would be better placed to discuss operational elements.

Another European participant added that it would be important to consider both the GCF and other sources of climate finance, since the majority of finance will not flow through the GCF in the foreseeable future. A Fellow asked how non-GCF sources would be subjected to MRV.

A European participant declared his strong belief that private finance should also be included as climate finance. Müller responded that because governments cannot make pledges on behalf of the private sector, private sector aspirational figures should be kept out of pledges such as the US$100 billion, which would become meaningless if it was not clear what proportion was represented by public sector finance.

A European participant suggested that as trade is considered part of development cooperation, the climate negotiations will fail if only pubic sector finance is counted. He added that the source of the funds should be left to the contributor.

A Fellow explained that developing countries understand that the private sector will play a role, but that they need an assurance that a minimal amount will be from public sources. Otherwise, all public funding will be used to leverage private finance. He added that countries and sub-national actors, not corporations, should make climate decisions, and that they do not enjoy the same level of comfort when relying on the private sector.

Another Fellow maintained that the private sector was not being excluded, but said that developing countries needed the guarantee of public funding for credibility. Moreover, he explained that a certain level of standards was needed to judge what sort of private sector finance would count towards climate finance.

A European participant remarked that innovative sources of finance should be discussed, adding that when the topic is brought up, developing countries see it as developed countries shying away from public financing. Highlighting the importance of involving not just the private sector but also other non-state actors, she said that adopting a long-term climate neutral goal or a decarbonization goal would be a strong signal for the private sector on the way ahead.

How can we enhance MRV of support?

A European participant and member of the Steering Committee on Finance (SCF) updated participants on the status of the MRV of finance discussion under the SCF. He said that COP 17 had decided that the SCF should assist the COP in the MRV exercise, and it is on the SCF agenda for discussion in 2015. He noted that there were several reasons why the discussion had been postponed; these included a heavy workload, including the biennial assessment of financial flows which will inform the MRV discussions. He added that both the subsidiary bodies of the UNFCCC were working on MRV already, and the SCF has asked them to summarize their conclusions, so the SCF will be able to see where things stand. He said that the SCF had also asked for submissions on the issue, but that so far only three submissions had been received, none of which was from parties.

Müller highlighted the need to make sure that national focal points in the receiving country are notified when funds counting towards climate finance are allocated, so there is a central point at the national level that is keeping track.

A European participant once again raised the issue of private sector finance, emphasizing that there will not be sufficient public finance, and countries should understand and accept the facts to move forward.

A Fellow highlighted the need to be specific on what can be done on MRV of finance in Lima, or at least to make progress on the issue of transparency ex ante, to lay the ground for a better agreement in Paris.

A European participant proposed increased frequency of reporting, to make progress on assurance. He said that private finance does not come at a lesser cost than public to governments, and that it does have a budgetary impact. He added that some initial agreement on definitions was needed.

A Fellow suggested that the private sector in developing countries should also be involved.

A European participant announced that his country was trying to make aid more transparent, by tracking it all the way to the ground. He said that MRV is a two way street, and that transparency is also needed to see results in addressing climate change.

5. Adaptation, and loss and damage

The Fellows proposed the following questions for this session:

- What substantive forms of adaptation contributions should be made available in the Paris Agreement?
- What legal forms of adaptation contributions should be made available in the Agreement?
- Should there be differentiation, and if yes what type?
- How should the existing institutional arrangements and mechanisms be reflected in the new Agreement? What needs to be done differently? What new arrangements are needed?
- How should the National Action Plan (NAP) process continue in the 2015 Agreement? Should there be new arrangements for planning?
- How can adaptation support/investments be captured and recognized in the Agreement?
- How can projected impacts and associated costs of adaptation be reflected in the Agreement?
- How can implementation of measures to address loss and damage by the Warsaw International Mechanism for Loss and Damage (WIM) be further enhanced by the new Agreement?

Due to a shortage of time, however, only the questions related to adaptation contributions, institutional arrangements for adaptation, and loss and damage were addressed.

Adaptation contributions

Introducing the concept of adaptation contributions, a Fellow pointed out that the contributions were proposed in the context of giving adaptation an expression in the INDCs. He added that adaption contributions would aid a better understanding of the projected impacts and costs of adaptation, on the basis of mitigation ambition and needs. They would also provide recognition of investments by developing countries as part of the climate effort, and of developed countries in providing international cooperation for adaptation. He said that they would also include a process of assessment for adequacy, and an ex post review of how efforts have fared.

A Fellow added that adaptation will have an impact on global public goods, and adaptation contributions will serve to inform the global community of their status. Another Fellow stated that the concept tried to address the 'non-symmetry of information' on adaptation, and will be linked to the cycles of the global package.

A European participant remarked that as countries are mainly focused on mitigation contributions, perhaps the information for adaptation contributions could come later.

A Fellow responded that it is more difficult, for developing countries at least, to come up with a mitigation contribution than to come up with an adaptation contribution. He added that while it may not be possible for all parties to come up with the same level of information, Least Developing Countries could get the information from their National Adaptation Programmes of Action.

Müller noted that one of the points discussed during the Fellowship Colloquium was whether or not the support element for adaptation should be listed under finance or adaptation. He said that there was currently no balance between the funds provided for mitigation and adaptation, with national communications indicating only 10–15 per cent for adaptation. He added that adaptation contributions could give recognition to domestic adaptation efforts (mostly paid domestically) in the international regime.

A Fellow argued that the amount of adaptation required would depend on the mitigation that takes place. Therefore a cycle linking the two was necessary.

A European participant said that the information on adaptation would be included in national adaptation plans and national communications, and the issue of balancing funds for mitigation and adaptation will be part of the MRV of finance. He asked what additional purpose would be served by the adaptation contributions.

A Fellow maintained that those activities would merely provide information and not record contributions.

A European participant asked if the adaptation contributions would also cover developed country efforts, saying that this could mean less money would be left for developing countries. Secondly, he said that the concept would raise the same concerns as long-term finance commitments. Third, it would reduce adaptation to a financing metric, and lead to a rigorous assessment or review of how developing countries carry out their adaptation activities at home. He agreed that a serious conversation on adaptation was necessary, on how to do 'good adaptation', and how to learn. He added that he didn't think it would be possible to agree to a mechanistic arrangement on how much mitigation is needed to reduce the need for adaptation, saying that this would lead to arguments on who fell short of their mitigation commitments.

Müller asked how adaptation could be moved to the forefront of the contributors' agenda.

A European participant remarked that it should come as no surprise that mitigation is the main concern for developed countries in combatting climate change, but that they do see the link between mitigation and adaptation. He said that the narrative should not be based on guilt, but rather as a two-way discussion.

A Fellow pointed out that the adaptation contributions were not just about finance, but included aspects of planning as well.

A Fellow called on participants to engage in a collective creation of ideas on the proposal and to identify areas of convergence, given that several countries have emphasized that they would like to explicitly recognize the link between mitigation and adaptation in the agreement. However, she did not think that sharing good practice and learning would produce a robust outcome, given that this was already taking place under existing institutional arrangements. Emphasizing that there was more to adaptation than finance, she asked her European colleagues how they see adaptation being reflected in the agreement, without repeating existing arrangements.

A European participant remarked that the existing adaptation arrangements are still new, and time is needed for them to develop before identifying gaps.

A European participant supported the idea of an adaptation goal, and giving adaptation its full place in the Paris Agreement – even if it is not on the same level as mitigation. He said he was tempted by the idea of how countries are able to show what they are delivering on adaptation as part of their contributions, though not necessarily with legal form. On the assessment of adaptation needs based on the level of mitigation, he maintained that we are not in a one-off agreement that solves everything on mitigation and gets us to the right path, but rather in an iterative process.

A Fellow argued that a Paris Agreement that does not include adaptation at the same level as mitigation will not be acceptable, and the issue of linking the two is also very important.

A European participant pointed out that while the proposal to link mitigation and adaptation efforts was interesting from a conceptual point of view, there may be many methodological difficulties in its operationalization, given the uncertainties in trying to estimate impacts. As an example, he noted the close link between adaptation and development, and the difficulties in delinking the two. He agreed that the role of international cooperation and domestic efforts should be recognized, and that a better balance was needed in mitigation and adaptation finance.

Institutional arrangements for adaptation

A European participant asked whether the institutions that have already been created on adaptation under the Cancun Adaptation Framework should be inscribed into the Paris Agreement. One danger of doing so, he pointed out, is that this would lock in the arrangements for the next 5–10 years and not allow any flexibility to change them if they are found unsuitable.

A Fellow noted that there would be references to the institutional mechanisms in the new Agreement insofar as they have relevance to the articles proposed; for example, if there is a role for the Nairobi Work Programme to project impacts and costs, or if guidance is to be given to the Adaptation Committee.

A Fellow asserted that adaptation institutions created under the UNFCCC were not meeting expectations because they lack either financial support or operationalization. For instance, the Adaptation Committee was not in a position to provide the technical support it was meant to.

A European participant suggested that these kinds of concerns should be addressed to make the institutions efficient and dynamic.

Another Fellow remarked that she did not think the current structure or mandate would be enough to enhance adaptation action beyond 2020.

A Fellow said that the Adaptation Committee was also expected to create coherence in the adaptation arrangements, but it is not really able to do so. He added that a new, more coherent, framework was needed, one which could be revised from time to time to address deficiencies.

A European participant supported the need to have a good storyline to explain what adaptation is about – beyond just discussions on finance. She pointed out that Paris may not be able to tidy up the institutional arrangements, and asked if there were any ideas regarding the continuation of the Adaptation Fund, given that there will be no third commitment period for the Kyoto Protocol.

Müller said that there were two options for the Adaptation Fund: it can continue on the basis of the share of proceeds from new mechanisms created in Paris, and/or it can become an accredited multilateral funding entity of the GCF.

Loss and Damage

Introducing the subject, a Fellow emphasized that loss and damage (L&D) due to climate change is going to be a serious burden in the future, and should be reflected in the new Agreement. WIM is a start, she said, but more was needed.

Another developing country participant pointed out that L&D goes beyond adaptation. He described the activities of the Caribbean Risk Insurance Facility, under which countries are compensated as soon as a hurricane hits, and can therefore start rebuilding infrastructure. However, a global-level funding pool was needed to address the insidious long-term effects of climate change, such as coral bleaching or droughts.

On how the Paris Agreement can enhance the institutional arrangements, he said that the make-up of WIM needed to change to bring in financial experts from Wall Street, and a new governance structure was needed for the mechanism.

A European participant cautioned against packing too much into the agreement, and diverting it from the central business of mitigation and adaptation.

Müller said that all countries feared they would be lost if their issues were not explicitly addressed in the Paris Agreement. But during the Fellowship, one of the Fellows had warned against 'depopulating' the UNFCCC altogether in order to shift everything to the Agreement. He remarked that it is important to consider where it is most effective to deal with things.

A Fellow explained that one of her concerns was how the Paris Agreement would fit with the UNFCCC, and while the Convention should not be made redundant altogether, there would be overlaps. The new Agreement would have to highlight and give more force to key issues, including L&D. She said that the assessment and review cycle could include the concept of limits to adaptation.

A Fellow said he feared that if L&D goes into the new Agreement, and ratification takes time, then nothing will get done until 2020. He proposed synergies with the third World Conference on Disaster Risk Reduction (DRR) in 2015 and with domestic DRR efforts, and for more systematic observation by the Global Climate Observing System (GCOS) to support the monitoring of climate change.

A Fellow maintained that the L&D issue is also an area that could enhance credibility. She noted that the coherence, scale, and planning aspects of the adaptation institutions need to be enhanced, and proposed a temporal framework for incremental action on adaptation.

PARTICIPANTS IN THE 2014 OXFORD SEMINAR

Table 1: Fellows				
	Fellows	**Country**	**Affiliation**	**Other positions**
1	Mr. Carlos Fuller	Belize	Caribbean Community Climate Change Centre	
2	Mr. Jose Domingos Gonzales Miguez	Brazil	Ministry of Environment of Brazil	
3	Mr Zhang Xumin	China	Director of Climate Change Office, Department of Treaty & Law, Ministry of Foreign Affairs	
4	Ms Isabel Cavelier Adarve	Colombia	Independent Association of Latin America and the Caribbean – AILAC	
5	Mr Orlando Rey Santos	Cuba	Ministry of Science, Technology and Environment, Member of Compliance Committee	
6	Mr Tosi Mpanu Mpanu	Democratic Republic of the Congo	Member of the DRC Climate Task Force, Ministry of Environment, Nature Conservation and Tourism	
7	Mr Daniel V. Ortega-Pacheco	Ecuador	Coordinator General of Rights and Guarantees, Ministry of Foreign Affairs and Human Mobility	
8	Mr Rómulo Acurio	Peru	Deputy Representative of Peru for Climate Change	
9	Mr Xolisa Ngwadla	South Africa	Council for Scientific and Industrial Research (CSIR)	ADP lead coordinator
10	Mr Nagmeldin Goutbi Elhassan	Sudan	Climate Change Unit, Higher Council for Environment and Natural Resources (HCENR)	Chair of the Africa Group of Negotiators
11	Ms Sumaya Ahmed Zakieldeen	Sudan	Institute of Environmental Studies, University of Khartoum	LDC Group, Adaptation Coordinator, Member of UNFCCC Adaptation Committee
12	Ms Sandra Freitas	Togo	Climate Analytics	LDC, Technical Advisor to Chair
13	Mr Kishan Kumarsingh	Trinidad & Tobago	Ministry of the Environment and Water Resources	Co-Chair ADP

Table 2: European Participants				
	Participant	Country	Affiliation	Other positions
1	Mr. José Gabriel Delgado Jiménez	Austria	Senior Official, Austrian Federal Ministry of Finance	
2	Mr Jozef Buys	Belgium	Attaché, Directorate General for Development Cooperation, Ministry of Foreign Affairs	Member of the Standing Committee on Finance, Alternate member on the GCF Board
3	Mr Geert Fremout	Belgium	Climate Change Policy Adviser, Climate Change Section, Federal Public Service, Health, Food Chain Safety and Environment	
4	Mr Cyril Loisel	EC	Policy advisor. DG Climate Action European Commission	
5	Mr Artur Runge-Metzger	EC	Head of Unit, DG Environment, European Commission	Co-Chair ADP
6	Mr Harri Laurikka	Finland	Chief Negotiator for Climate Change, Finland Chair of Nordic Working Group on Global Climate Negotiations (NOAK)	
7	Mr Paul Watkinson	France	Chief negotiator, Head of Climate Negotiating Team, Ministry of Ecology, Sustainable Development and Energy	
8	Ms Ilka Wagner	Germany	Senior policy advisor, Deputy head of the German delegation to the UNFCCC climate talks, Division for International Climate Policy, Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety	
9	Mr Michel Rentenaar	Netherlands	Climate Ambassador	
10	Ms Monika Kusmierczyk	Poland	Climate Policy Unit, Department of Sustainable Development, Ministry of the Environment	
11	Ms Kasia Snyder	Poland	Head of Negotiations Team, Department of Sustainable Development, Ministry of the Environment	
12	Ms Johanna Lissinger Peitz	Sweden	Head of Section, Division of Eco-management and Chemicals Ministry of Environment	
13	Mr Mark Storey	Sweden	Deputy Director, Ministry of Finance	
14	Mr Stefan Ruchti	Switzerland	Head, Environment and Sustainable Development, Sectoral Foreign Policies Division, Directorate of Political Affairs, Federal Department of Foreign Affairs	
15	Mr Peter Betts	UK	Director for International Climate Change, Department of Energy and Climate Change	
16	Mr Andrew Jackson	UK	Head Science, Innovation and Climate Department, Foreign & Commonwealth Office	

Table 3: Special Guests			
	Participant	**Affiliation**	**Other positions**
1	Ambassador Manjeev Puri	Indian Ambassador to Belgium, Luxembourg and the EU	
2	Mr Justin Mundy	Director, The Prince's Charities' International Sustainability Unit	
3	Ambassador Bo Kjellén	Senior Research Fellow, Stockholm Environment Institute	Co-chair ecbi Advisory Committee

Table 4: ecbi/ Experts			
	Participant	**Affiliation**	**Other positions**
1	Mr Benito Müller	Managing Director, Oxford Climate Policy; Director Energy and Environment, Oxford Institute for Energy Studies	Director, ecbi and Head of ecbi Fellowship Programme
2	Ms Achala Chandani	Senior Researcher, Climate Change Group; Team Leader, Global Climate Change Governance, IIED	Head, ecbi Training and Support Programme
3	Mr Christoph Schwarte	Director, Legal Response Initiative	Member, ecbi Executive Committee
4	Ms Anju Sharma	Director, Oxford Climate Policy	Head, ecbi Policy Analysis and Publications Unit; Member, ecbi Executive Committee
5	Ms Karin Cheetham	Administrator, Oxford Climate Policy	
6	Ms Rhian Cadvan-Jones		Seminar Moderator
7	Mr James Morris	Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC)	