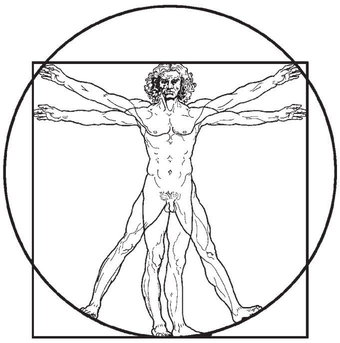

Bonn Seminar 2015

Altes Rathaus, 7 June 2015

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Written and edited by Anju Sharma. Cover Picture: World Conference Centre Bonn, venue of the Bonn Climate Change Conference. Picture courtesy: www.bonn-international.org

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The 2015 ecbi Bonn Seminar, which marked its tenth anniversary this year, took place on 7 June in the Altes Rathaus, Bonn. It was attended by over 25 negotiators and participants from developing countries and Europe. Participants discussed the minimum requirements for the 2015 Paris Climate Conference to be considered a success; county contributions with regard to sequencing, reviews and assessments; and the Paris finance package.

The Seminar was opened by ecbi Director Benito Müller, who welcomed participants, and introduced the agenda.

Minimum requirements for a Paris agreement

Müller noted that while the Kyoto Protocol was viewed as a significant step, many of its essential elements were agreed later under the Marrakech Accords. He asked participants to consider while elements were essential for Paris, and which elements could be dealt with later.

Achala Abeysinghe, International Institute of Environment and Development (IIED), and Linda Siegele, an academic working with delegation from the Alliance of Small Island States (AOSIS), made presentations on this agenda item.

Abeysinghe listed three pillars for the agreement: legal nature; participation of all parties; and the scope and effectiveness of the agreement.

On legal nature of the agreement, she noted that this should include not only the form the agreement takes, but also how it incorporates compliance. She said while elements such as Intended Nationally Determined Contributions (INDCs) and compliance arrangements would have to be at the core of the agreement, elements such as the action needed for the transition between 2015 and 2020 could go in accompanying decisions.

On participation, she noted the need for a uniform legal form, with differentiation to make countries comfortable coming on board.

On the scope and effectiveness of the agreement, she listed six essential elements: long term goal and a pathway; cycles of commitment; a process to ensure transparency and accountability; review process; adaptation and loss and damage; means of implementation.

Siegele listed mitigation, adaptation, loss and damage, and “everything else” as essential elements for the Paris agreement. She said mitigation should form part of the core, with the long-term goal of keeping global temperatures below 1.5°C translated into tangible emissions pathways; legally-binding mitigation commitments for all based on quantified or quantifiable, time-bound INDCs; a process to regularly assess aggregate ambition in light of the long term goal; and no backsliding.

On adaptation, Siegele called for the inclusion of elements relating to financing and means of implementation for adaptation; measurement, reporting and verification (MRV) of delivery of support; and strengthened institutional arrangements.

She also called for recognition of the limits of adaptation, and institutional arrangements anchored in the new agreement to consider, explore, understand impacts, and develop an international approach for dealing with loss and damage, along with a process for consideration of approaches for addressing irreversible damage.

In the “everything else” category, Siegele listed technology development and transfer; capacity building; transparency of action and support; and pre-2020 ambition.

In the discussion that followed, a participant from Europe said a minimal result would not constitute an adequate goal, and that the agreement should be accompanied by rules in order to avoid delays in implementation.

A developing country participant asked whether the INDCs would only include goals for mitigation, and if so, how commitments on elements such as adaptation and finance would be given a legal status.

Agreeing that the legal agreement should include elements such as adaptation and finance, Abeysinghe said all contributions should be internationally determined – not only nationally intended.

Linda said that the commitments on adaptation already included in the UN Framework Convention on Climate Change (UNFCCC) would continue to stand. She agreed that the new agreement should highlight and strengthen existing commitments and provide an infrastructure to ensure the commitments are met. She felt it would be difficult for countries to assess and assign an “adaptation number” to include in INDCs, but agreed that it was important for countries to identify their adaptation priorities.

Müller noted that the new agreement would need to be in force only from 2020, and it may not be necessary to come up with a fully ratifiable agreement by December 2015.

A participant from Europe noted that the Kyoto Protocol was not entirely top-down, but a hybrid, where the EU and US started off with bottom-up proposals. He called for similar ambition for the Paris agreement, with top-down elements built in over time. He said his delegation did not want to create a presumption that the process for addressing mitigation and adaptation is similar by addressing both under the INDCs; and did not support legally binding finance commitments. He asked how the developed countries could create more confidence regarding their willingness to meet their commitments.

A participant noted that actions would speak louder than words in giving confidence, and called for further contributions to the Least Developed Countries (LDCs) to implement their National Adaptation Plans of Action. He said a recent meeting for the LDC Fund (LDCF) had ended with no commitments being made. The participant from Europe responded that his country was already one of the most consistent contributors to the LDCF.

Another participant from Europe noted that the EU contributes 80% or more of funds provided to the LDCF and Special Climate Change Fund, and that donors were being asked to contribute to numerous funds.

A developing country participant said the new agreement should be enduring, reflecting a longer-term view beyond just the first commitment period, and based on differentiation. She noted that an absolute minimum should be the inclusion of a common understanding that adaptation is a global responsibility linked to the global temperature goal; and the inclusion of binding commitments for adaptation.

Müller agreed that the new agreement should be enduring, as it would not make sense to have to start negotiating another agreement in 2020.

In response to a request for clarification on the adaptation goal, a developing country participant said parties must commit to have adaptation plans in place, which indicate the costs involved. When these costs are borne by the countries themselves, this should be viewed as a contribution, and the effort recognised globally.

Another developing country participant said the call was to include an "assessment of adaptation actions" to give a sense of the aggregate needs of developing counties for adaptation. On the minimum for the Paris agreement, he noted that the agreement should not be constrained on the basis of what is possible today, when it will only be implemented in 2020.

Contributions: Sequencing, reviews and assessments

Achala Abeysinghe, IIED, chaired this session.

On sequencing of national contributions, Müller, along with Jose Miguez and Xolisa Ngwadla, presented a jointly-authored paper proposing a "Dynamic Contribution Cycle" (DCC), consisting of overlapping five-year contribution cycles, each cycle consisting of with three phases (ex-ante assessments of a country's intended contribution; national analyses followed by the inscription of contributions; and ex-post reviews).

A participant from Europe said that it may be difficult to agree on the procedure for sequencing without knowing what the actual national contribution would be; and said countries may not change their intended contributions on the basis of the ex-ante review.

Ngwadla responded that the paper deliberately focused on the process without prejudging the exact nature of the contribution, because the discussion gets very complicated when elements such as the scope of contributions are brought in – for instance, whether the intended contribution should also include finance, and whether these other contributions should be inscribed at the same time as mitigation contributions.

A developing country participant commented on the political uncertainty in the US with regard to INDCs, and that there may no longer be time to include the cycle in the negotiations. Müller noted that with the DCC, the contributions for 2020-2025 would only have to be inscribed in 2019, and there should be more political certainty in the US by then.

A participant from Europe asked whether the reviews would be aggregate reviews, or reviews of individual countries.

Müller responded that the ex-post reviews would have to be country by country, while the ex-ante reviews could at least be used to calculate an aggregate, and therefore the consequences for the global temperature goal. It could also be used to assess where individual countries stand with regard to their commitments, and their fair share – by civil society, if not by the UNFCCC, who could also make it difficult for a country to ignore an outrageous or glaring lack of fairness.

A participant from Europe asked why the cycle was limited to ten years, and not longer – for instance, beyond 2050. Miguez responded that with even developed countries like the US saying they have trouble planning for more than 10 years, and measuring the outcomes of their policy measures, 2050 may be too far away for countries to commit to action. Abeysinghe said that such a long-term goal could also risk locking in low ambition.

Another participant from Europe agreed that to prevent risking an outcome that is "too bottom-up", convergence was necessary on a common cycle of commitments. He also supported individual country reviews, which would facilitate an assessment of the fairness of contributions, and lead to some sort of convergence or common ground on fairness and differentiations. He said this could help overcome the hurdle of a fixed formula for assessing fairness, for which there was currently no consensus.

A participant from Europe said the DCC is a simple and well thought-through idea, a "no-brainer" which should not be difficult to agree upon. However, he listed the following potential barriers: lack of agreement from the US; concern that the cycle will become a way of assessing fairness and equity; and the call from some developing countries to include adaptation and finance in the cycle. He said the US could perhaps still be persuaded, and the reviews kept aggregate instead of individual, countries in favour of the cycle should work to seek common ground on the issue of including financial and adaptation contributions.

A participant highlighted the need to keep a longer-term perspective in mind, perhaps until 2030 if not 2050, to encourage the right investments and avoid further "lock-in" into the wrong ones. Another participant from Europe supported calling for national contributions until 2025.

A developing country participant highlighted the need for reviewing financial commitments. Another developing country participant said a five-year cycle would not be sufficient to give a strong signal to the private sector, and coming back to the drawing table in five years was also not ideal.

A participant from Europe noted that at a recent informal in Paris, countries had stated a preference only for a five- or ten-year frequency. He also noted that none of the countries supported individual ex-ante assessments, and preferred a collective stocktaking instead.

Müller summarized that there appeared to be convergence on the view the DCC, at least as far as sequencing is concerned, is a viable option that might well provide the landing ground, apart from some manageable start-up problems such as the EU not having a 2025 figure, and the US not having a 2030 one. He noted that opinions were not quite as converging with respect to the nature of ex-ante assessments.

The Paris finance package

Bo Kjellén, Co-Chair of the ecbi Advisory Committee, chaired this session.

Introducing the topic, Müller said that while it is important for the Paris agreement to include a significant finance package, this could no longer be a new fund or figure like the US$100 billion annually promised at Copenhagen, as these options had already been used up previously. Instead, he said, the existing negotiating text indicates that "new, enhanced, additional and predictable" finance was a key concern for developing countries. He pointed to a number of potential "innovative sources" based on the international earmarking of revenue sources to ensure predictability, including for instance levies on emissions trading, and on air travel.

Müller said some of these automatic sources could also operate at the sub-national level. He described his proposal to ask sub-national governments in the US and Canada to establish a "Development Gold Standard" by earmarking a portion of their emissions trading revenues for the LDCF, as a token of their solidarity with the poorest and most vulnerable countries. He concluded by emphasizing the need for Paris to enhance predictability through increasing degrees of automaticity, and encourage all levels of public sector support.

A developing country participant, also a member of the Standing Committee on Finance (SCF), said that a review by the SCF indicates that very little climate finance will be channelled through the financial mechanisms of the convention. She highlighted the need to green existing, and introduce new, policies and measures instead of focusing only on the financial package.

Müller noted that ensuring predictability through such innovative means could also make the ex-ante review of financial contributions less contentious.

A participant from Europe asked whether the existing financial mechanism needs rationalizing or streamlining.

A developing country participant said that while there is scope for improving the transparency of the US$100 billion and developing innovative sources in the context of trust building and providing contributing countries with options, these elements would not necessarily define the core elements in the Paris agreement itself.

A participant from Europe noted that his country had factored in innovative sources, including from aviation and maritime sources, in their previous commitment, this idea was not supported by developing countries. He noted difficulties in the application of the common but differentiated responsibilities principle to raising finances from an aviation levy, for instance, saying the levy could not only apply to developed countries. He also agreed that there was a mismatch between what was needed for the deal and what had to be done in the real world, noting that the latter had to include giving the right signals to markets to move away from fossil fuels, and reform the rules of multilateral development banks.

Another participant from Europe agreed that further clarity and transparency was needed with regard to the US$100 billion commitment to make it more credible and robust. He said while his country supports earmarking and innovative financial mechanisms, others have problem with the concept. He also agreed that beyond 2020, the focus would have to shift to sending out the right signals and transforming investments. He asked whether greater clarity on what is being delivered on adaptation as part of the US$100 billion could form part of the package.

A participant said such clarity would be welcome especially if the needs of the most vulnerable were prioritized, but noted an unwelcome trend of offering loans instead of grants for adaptation.

A participant from Europe highlighted the difficulties of bringing other maritime and aviation bodies on board on proposals for raising innovative finance.

A developing country participant said discussions on predictability should take place under the Convention which is already agreed, and not the new agreement which still has to be ratified, calling for a focus on policies and measures, which she said could represent hundreds of billions, and insurance mechanisms to address loss and damage. She agreed that greater clarity with regard to adaptation finance was needed.

Müller informed participants of an ecbi initiative to facilitate discussions between the Adaptation Fund, the SCF, and the Green Climate Fund, to discuss the future role of the Adaptation Fund. He said that the Adaptation Fund could sign a Memorandum of Understanding with the GCF, and also apply for accreditation, to become a specialized adaptation window for the GCF. He noted that there could be something to be gained by plurality, as long as the two Funds don't duplicate efforts.

The Seminar ended with a developing country participant calling on ecbi to hold a discussion on what should be in the Paris agreement during the next Oxford Fellowship and Seminar in September 2015, just ahead of the Paris conference.