## United Nations Framework Convention on Climate Change

# Brief update of ADP process for enhanced actions to increase mitigation ambitions

Asia Pacific Regional Workshop Manila, Philippines, 29-30 September, 2015



## **Progress at the latest round of climate negotiations (ADP 2.10)**

- Considerable progress in all aspects of the negotiations
- Constructive negotiations, with key Parties moving beyond previous positions towards other Parties/positions
- Format of ADP 2.10 discussion allowed for multiple parallel informal discussions, many discussions without observers (allowing Parties build compromise)
- Carbon Finance aspects mostly discussed in relation to:
  - Markets, the right to use them and how to account for them
  - Mechanisms, their principles, and how to elaborate them
  - Workstream 2 pre 2020 action and using the CDM



## What was the starting point for ADP 2.10?

Workstream 1 discussion during ADP 2.9

- Market ideas took additional shape during a focussed discussion
- Became clear that Parties had different interpretations for scope of "accounting"
- Joint mitigation and adaptation approaches were identified
- Parties raised timing in Paris or after Paris?

Facilitator's Workstream 2 output for ADP 2.9 captured views on mechanisms

- Finalize CDM review
- Facilitating flows of finance into projects
- Increased voluntary cancellation of CERs
- Recognition of early action



### ADP 2.10 - markets or mechanisms?

- Many Parties made it clear that it is essential for them that the right to use markets be included in the Paris Agreement
- Many developed country Parties consider they do not need permission to cooperate through markets but need rules to ensure minimum environmental integrity of mitigation outcomes
- Many Parties supported development of accounting rules that avoid double counting, uphold environmental integrity and ensure that mitigation outcomes transferred internationally are real, permanent, additional, and verified



### ADP 2.10 - markets or mechanisms?

- A number of Parties and groups, particularly developing country Parties want a centralized mechanism included in the Paris Agreement
- Views diverge on what kind of mechanism it would be: CDM, New Market Mechanism, Joint Mitigation and Adaptation (non market) or REDD plus crediting...
- Many Parties want the principles for such mechanism(s) set out in Paris: Share of Proceeds for Adaptation, Contribution to Sustainable Development, Net Mitigation...



#### What now?

- Co Chairs received a wide mandate to produce a non paper in first week of October
- Parties know it will be the basis for the real negotiations in the October ADP session
- Markets and non markets, accounting, and mechanisms are political, not technical issues
- The potential role of existing mechanisms like the CDM is part of that political package

