



# UNFCCC SB 42/ADP 2-9 Summary Report

## Progress at Bonn Session Steady but Slow

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### I. Background

From 1-11 June 2015, Parties met in Bonn under the United Nations Framework Convention on Climate Change (UNFCCC)'s forty-second sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice (collectively, SB 42), and under the Ad Hoc Working Group on Durban Platform for Enhanced Action, Session 2-9 (ADP 2-9) to build momentum toward a new climate agreement at the end of 2015 in Paris.

The ADP was established at the UNFCCC's 17<sup>th</sup> Conference of the Parties (COP17) in 2011, and is organized along two primary workstreams. ADP Workstream 1 (WS1) focuses on **post-2020 action**, with a mandate to develop a protocol, legal instrument or agreed outcome with legal force no later than 2015, which is to be implemented starting in 2020. ADP Workstream 2 (WS2) focuses on **pre-2020 ambition**, noting the significant gap between Parties' mitigation pledges by 2020 and emissions pathways required to hold average global temperature within 2 degrees Celsius scenario.<sup>1</sup> Mandates for each of these Workstreams were to be furthered through discussions at the Bonn session.

ADP 2-8, which was convened in Geneva from 8-13 February 2015, fulfilled the mandate delivered at COP20 Lima, by finalizing "the Geneva negotiating text", which was circulated six weeks in advance of the agreed deadline of 1 May 2015.<sup>2</sup> In this context, the ADP co-facilitators stated two primary goals for the Bonn session: first, producing a streamlined negotiating text to allow Parties enter into substantive negotiations during the next ADP meeting, and second, producing a more elaborated draft COP 21 decision document to support a Paris Climate Agreement.<sup>3</sup>

The Bonn session took place against the backdrop of the G7 summit, which convened during the session in southern Germany, which saw a pledge from G7 leaders to phase

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<sup>1</sup> <http://unfccc.int/bodies/body/6645.php>

<sup>2</sup> <http://unfccc.int/resource/docs/2015/adp2/eng/3infnot.pdf>

<sup>3</sup> [https://unfccc.int/files/bodies/awg/application/pdf/further\\_clarification\\_of\\_the\\_co-chairs\\_on\\_the\\_adp\\_mode\\_of\\_work\\_of\\_the\\_june\\_session.pdf](https://unfccc.int/files/bodies/awg/application/pdf/further_clarification_of_the_co-chairs_on_the_adp_mode_of_work_of_the_june_session.pdf)

out fossil fuels by the end of the century<sup>4</sup>, and followed an announcement from Chancellor Angela Merkel to double German aid to the Green Climate Fund (GCF).<sup>5</sup> In this cooperative spirit, ADP 2-9 was notable in solidifying the vision of a hybrid architecture to combine intended nationally determined contributions (INDCs) under an international framework, in raising the profile of non-state actors within the UNFCCC process through Technical Examination Meetings (TEMs) and other channels, and in building a climate of trust for forthcoming substantive negotiations.<sup>6</sup> Other progress marked during Bonn negotiations and side events included advancing discussions on fossil fuel subsidy reform, moving toward greater emissions accountability for the aviation and maritime sectors, and forging a clearer path for transport NAMAs in the context of emerging INDCs.

However, in more pragmatic terms, the Bonn session offered little progress toward streamlining the unwieldy Geneva negotiating text, and gained little ground in substantive negotiations toward the formation of a solid draft COP21 decision document. Furthermore, a lack of resolution on key issues such as pre-2020 action and INDC review periods makes forthcoming sessions an increasingly heavy lift for negotiators. Thus, nearly halfway through 2015, the road to Paris remains an uphill climb.

## II. Updates on Transport Areas from COP20/ADP 2-8

At COP20 and ADP 2-8, **six areas of investigation** with particular relevance for the transport sector were tracked in [joint reports](#)<sup>7</sup> by the Partnership for Sustainable Low Carbon Transport (SLoCaT) and the Bridging the Gap Initiative (BtG). These areas include pre-2020 ambition, INDCs, NAMAs, technology transfer, climate finance, and adaptation. The following sections highlight progress in each of these six areas at SB42/ADP 2-9, which build upon transport developments from recent UNFCCC negotiations.

### A. Pre-2020 Ambition

Sufficient pre-2020 ambition will be essential to the success of any post-2020 agreement, by helping to scale up mitigation strategies and technologies and thus setting appropriate trajectories to help bridge the 8-12 gigatonne (Gt) emissions gap.<sup>8</sup> In this context, incoming COP 21 President Laurent Fabius of France urged substantial progress on preparing a decision on pre-2020 climate action for adoption in Paris.<sup>9</sup> In Bonn, discussions on pre-2020 ambition centered largely around the Technical Examination Process (TEP), which was designed to examine opportunities with high mitigation potential in the 2015-2020 period, as well as subnational climate actions, where mitigation strategies and resources can be mobilized most quickly, and greater

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<sup>4</sup> <http://www.theguardian.com/world/2015/jun/08/g7-leaders-agree-phase-out-fossil-fuel-use-end-of-century>

<sup>5</sup> <http://www.germanclimatefinance.de/2015/06/01/petersberg-climate-dialog-calls-100-billion-roadmap-merkel-doubles-german-climate-aid/>

<sup>6</sup> <http://www.iisd.ca/vol12/enb12638e.html>

<sup>7</sup> [http://slocat.net/sites/default/files/u10/transport\\_at\\_cop20\\_despite\\_limited\\_leaps\\_lima\\_limps\\_final.pdf](http://slocat.net/sites/default/files/u10/transport_at_cop20_despite_limited_leaps_lima_limps_final.pdf)

<sup>8</sup> <http://www.unep.org/publications/ebooks/emissionsgapreport2014/>

<sup>9</sup> <http://www.iisd.ca/vol12/enb12638e.html>

coordination among convention bodies, to accelerate the goals set in motion by the Lima Call for Climate Action to build global political momentum in the run up to COP21.

Official negotiations touched on topics including accelerated implementation, high-level engagement, and the role of non-state actors. The *G-77/China* suggested strengthening multilateral cooperation within the TEP; the *United States* (with the *European Union* and *Australia*) said the TEP should be regularly reviewed and improved, and *Japan* (with *Norway* and *Bangladesh*) supported the timely delivery of Technical Examination Meeting (TEM) outcomes to policy makers. Many developing countries considered pre-2020 ambition a springboard for enhancing post-2020 action, thus stating that all elements to enhance pre-2020 ambition are within the mandate. The *EU* (with the *US*, *New Zealand*, and others) opposed this position, saying that all elements other than mitigation and the TEP are outside the mandate of WS2. The ADP WS2 co-facilitators issued an output document that captures areas of agreement and divergence, underscoring an overall lack of progress in this area.<sup>10</sup>

The “Transport Tackles Climate Change” side event, organized by the Bridging the Gap Initiative and the SLoCaT Partnership, presented initiatives to strengthen the role of sustainable, low carbon transport in climate change policy and to ensure effective implementation of transport in a forthcoming agreement at COP21. The SLoCaT Partnership introduced the [Paris Process on Mobility and Climate \(PPMC\)](#), which was initiated to strengthen the voice of the transport community within the UNFCCC process through common messaging, knowledge products, regional dialogues, and an elevated transport presence at COP21. ICLEI discussed the concept of [EcoMobility](#), which integrates socially inclusive and environmentally-friendly transport in car-free neighborhoods in Suwon, *South Korea* and Johannesburg, *South Africa* (forthcoming). The Wuppertal Institut presented on the [German Partnership for Sustainable Mobility](#), which provides access to German mobility/logistics expertise and financing options for sustainable transport stakeholders from the developing world, and the [Solutions network](#), which aims to boost innovative sustainable urban mobility solutions among cities in Europe, Asia, Latin America and the Mediterranean. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) shared experience on the development of transport NAMAs within the [TRANSfer Project](#), noting that four NAMAs developed by TRANSfer project are estimated to lead to the reduction of at least 30 MtCO<sub>2</sub> within 10 years of implementation. Subsequent discussion covered the role of the private sector in transport mitigation and the impact of fossil fuel subsidies to disincentivize pre-2020 ambition through transport.<sup>11</sup>

A side event moderated by ICLEI focused on leveraging local and subnational climate action to raise pre-2020 ambition.<sup>12</sup> ICLEI’s Secretary-General underscored the need to mobilize cities to maintain a 2-degree Celsius scenario (2DS) and highlighted ICLEI’s [Local Government Climate Roadmap](#), which presents 10 proposals to raise ambition in Paris. ICLEI went on to describe its work to increase momentum among local and regional governments under the [Transformative Actions Program](#), a tool to promote ambitious and inclusive climate actions before and after 2020. Additional presenters

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<sup>10</sup> <http://www.iisd.ca/vol12/enb12638e.html>

<sup>11</sup> <http://www.transport2020.org/newsitem/4293/presentations-now-available-from-btg-slocat-sb42-official-side-event-in-bonn> (see summary note on the side event)

<sup>12</sup> <http://www.iisd.ca/climate/sb42/enbots/3jun.html#event1>

brought attention to local and subnational climate action, including Bonn, *Germany*, who linked climate action to sustainable development goals and the Financing for Development process; Tshwane, *South Africa*, who stressed the need for private sector engagement; Dakar, *Senegal*, who advocated for sectorial climate plans to promote efficiency and increase resilience; and *Spain's* Basque region, who focused on strategies to increase mode shift and fuel efficiency in the transport sector.

A separate side event marked the launch of the 2015 [Global Climate Change Legislation Study](#)<sup>13</sup>, which compiles climate change-relevant legislation for lawmakers, researchers and policy-makers. The 2015 study covers 98 countries plus the *European Union*, which together account for 93% of global greenhouse gas (GHG) emissions. The SLoCaT Partnership has conducted an [analysis](#) of the study, identifying 47 transport-related policies,<sup>14</sup> many of which focus on pre-2020 timeframes in addition to longer-term targets. For example, *Botswana* has mandated that biodiesel account for 5% of total diesel consumption by 2016; *Thailand* has approved a new vehicle excise tax structure dependent on the quantity of CO<sub>2</sub> emissions to take full effect in 2016, and *Israel* has adopted plans to reduce transport emissions 20% by 2020 compared to a business-as-usual (BAU) scenario, by reducing petroleum-based fuels to roughly 30% of total use.

As part of its quantitative review of national transport GHG emission trends and plans, the SLoCaT Partnership will include analysis to quantify pre-2020 transport emission reduction trends, to complement its ongoing research to assess the potential impact of establishing transport-specific targets in INDCs.

## B. Intended Nationally Determined Contributions (INDCs)

INDCs are the centerpiece of any forthcoming post-2020 strategy, and as expected, INDCs figured heavily in Bonn discussions, following the submission of several INDCs in the months leading up to and following to the UNFCCC's soft deadline of March 31.

Although INDCs have been submitted by major emitters like the *United States*, the *European Union*, *Russia* and *Canada*, many countries have yet to release detailed mitigation strategies. A draft INDC from *Japan* was roundly criticized both for its lack of ambition and its omission of a 2025 target.<sup>15,16</sup> *Peru*, whose per capita emissions exceed the global average, has also released a draft INDC, which is currently open to public consultation.<sup>17</sup> And while *China* has yet to release its INDC, a [study](#) suggests that its emissions may peak by 2025, earlier than its pledge to peak emissions by 2030.<sup>18,19</sup>

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<sup>13</sup> <http://www.lse.ac.uk/GranthamInstitute/legislation/>

<sup>14</sup> <http://slocat.net/news/1480>

<sup>15</sup> <http://newclimate.org/2015/06/09/japans-proposed-indc-inadequate-and-opposite-to-its-g7-commitment-climate-action-tracker/>

<sup>16</sup> Japan's draft INDC is in the process of public consultation until 2 July 2015.

<sup>17</sup> [http://eco.climatenetwork.org/sb42\\_adp2-9-eco9-8/](http://eco.climatenetwork.org/sb42_adp2-9-eco9-8/)

<sup>18</sup> <https://www.whitehouse.gov/blog/2014/11/12/us-and-china-just-announced-important-new-actions-reduce-carbon-pollution>

<sup>19</sup> <http://www.lse.ac.uk/GranthamInstitute/publication/chinas-new-normal-structural-change-better-growth-and-peak-emissions/>

Two additional INDCs were submitted during the course of the Bonn session from *Ethiopia*<sup>20</sup> and *Morocco*,<sup>21</sup> these latest submissions make the INDCs of three African nations, along with an earlier submission from *Gabon*, the only plans to date with specific targets for the transport sector, apart from the draft Japanese INDC .

Final and draft INDCs submitted to date are shown in the following table. It is important to note that in addition to the transport specific targets in four INDCs submitted that almost of all of the INDCs submitted so far list transport as one of the sectors covered by the INDC.

Country	Overall Economy-wide Target <sup>22</sup>	Transport Sector Included	Specific Transport Sector Target	Proposed Transport Interventions
<a href="#">Andorra</a>	37% below BAU by 2030	Yes	N/A	N/A
<a href="#">Canada</a>	30% below 2005 by 2030	Yes	N/A	Emission standards for LDVs/HDV's
<a href="#">Ethiopia</a>	64% below BAU by 2030	Yes	10 MT by 2030	Clean rail transport, compact development
<a href="#">EU</a>	40% below 1990 by 2030	Yes	N/A	N/A
<a href="#">Gabon</a>	≥50% below BAU by 2025	Yes	20% below BAU by 2025	Public transport Infrastructure and services, vehicle import restrictions
Japan (draft)	18% below 1990 levels by 2030	Yes	To limit to 165 MT by 2030 i.e. 24% reduction below 1990	N/A
<a href="#">Liechtenstein</a>	40% below 1990 by 2030	Yes	N/A	To be revised in 2016/2017
<a href="#">Mexico</a>	36% below BAU by 2030	Yes	N/A	N/A
<a href="#">Morocco</a>	32% below BAU by 2030	Yes	energy consumption 23% below BAU by 2030	Reduce fossil fuel subsidies, natural gas promotion
<a href="#">Norway</a>	40% below 1990 by 2030	Yes	N/A	Reduce transport emissions, sustainable shipping
Peru (draft)	31% below BAU by 2030	Yes	N/A	Expansion of public transport, vehicle scrappage, conversion of vehicle fleets
<a href="#">Russia</a>	70-75% of 1990 levels by 2030	Yes	N/A	N/A
<a href="#">Switzerland</a>	50% below 1990 by 2030	Yes	N/A	N/A

<sup>20</sup> <http://www4.unfccc.int/submissions/INDC/Published%20Documents/Ethiopia/1/INDC-Ethiopia-100615.pdf>

<sup>21</sup> <http://www4.unfccc.int/submissions/INDC/Published%20Documents/Morocco/1/Morocco%20INDC%20submitted%20to%20UNFCCC%20-%202015%20june%202015.pdf>

<sup>22</sup> Russia, Mexico, Ethiopia and Morocco targets are conditional

<a href="#">US</a>	26-28% below 2005 by 2025	Yes	N/A	N/A
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A number of INDC presentations also took place during the Bonn session, which included an opening presentations by *Switzerland*, the *European Union*, *Norway*, and *Gabon*, and additional presentations throughout the session. These presentations revealed that proposed economy-wide reductions from developed countries such as *Norway* (40%), *Canada* (30%) were insufficient per an assertion from the Intergovernmental Panel on Climate Change (IPCC) that OECD countries must reduce emissions much more substantially to make equitable contributions to global mitigation<sup>23</sup>.

INDCs were also discussed in a number of side events, which included an event on incorporating emissions reductions from fossil fuel subsidy reform (FFSR) within nationally-determined contributions (including a recent submission from Morocco, as noted above).<sup>24</sup> *Denmark's* Ministry of Climate, Energy and Building stated that existing fossil fuel subsidies are estimated at \$5.3 trillion, but also noted that 30 countries undertook FFSR last year. An IISD [communiqué](#) on subsidies was endorsed by *France* and *the United States (inter alia)*, and engagement is likely to accelerate in the run-up to COP21, as FFSR is expected to be a key point in the Paris agreement. IISD's Global Subsidies Initiative (GSI) described a model to quantify impacts of including FFSR within INDCs. GSI presented results from applying the model to 20 countries, and on average 10% of potential emissions reductions were calculated, and this number increases if savings are reinvested in renewables and energy efficiency. GSI also cited a [recent publication](#) from the International Monetary Fund (IMF) on the inequitable economic impacts of FFSR, which states that 54% of fossil fuel subsidies benefit the top two quintiles, while only 8% of total subsidies benefit the poorest quintile.

In negotiations, little progress was made on re-evaluation cycles for INDCs, as Parties disagreed on linkages between mitigation and adaptation intervals. While the *European Union* explained that cycles are meant to increase ambition over time, *China* suggested language on "cycles" could prejudice the outcome of negotiations, and *New Zealand* pointed out that such language is not new.<sup>25</sup> Lack of consensus on this issue creates a more onerous task for ADP co-chairs and Parties in the negotiating sessions leading up to COP21, and this issue is particularly important to the transport sector, in which regular re-evaluation can help to avoid investments likely to lock in high-carbon pathways.

Despite these setbacks, the Bonn session marked a significant shift in nature of discussions relative to previous sessions. With the acknowledgement of transport as one of the sectors covered in all the INDCs submitted and the incorporation of specific transport targets in INDCs from four countries to date (and undoubtedly more to follow), the dialogue on mitigation policy has begun to move from political to substantive discussions that will better position Parties to implement sustainable low carbon transport solutions in a post-2020 framework.

<sup>23</sup> [http://www.climatenetwork.org/sites/default/files/eco\\_-\\_tuesday\\_2\\_june\\_-\\_final.pdf](http://www.climatenetwork.org/sites/default/files/eco_-_tuesday_2_june_-_final.pdf)

<sup>24</sup> Personal communication, F. Krämer, GIZ, June 24, 2015.

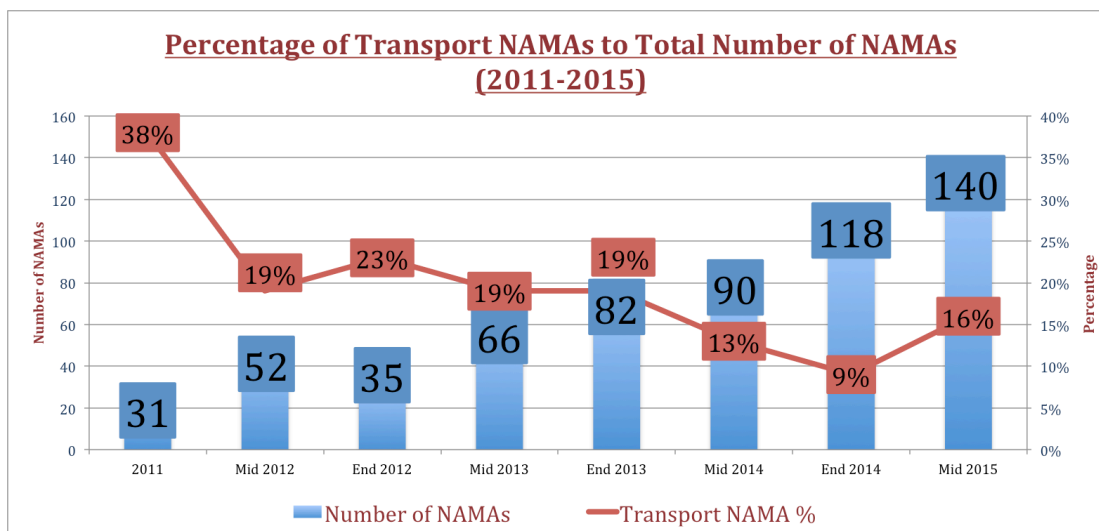
<sup>25</sup> <http://www.iisd.ca/vol12/enb12638e.html>

## C. Nationally Appropriate Mitigation Actions (NAMAs)

NAMAs are voluntary national GHG emission reduction activities by developing countries, which take the form of targeted actions or transformative change within or across sectors.<sup>26</sup> While NAMAs were not formally included in the ADP 2-9 agenda, they are an important tool to bridge the gap between pre-2020 ambition and post-2020 implementation, and more emphasis on NAMAs is expected as additional INDCs are submitted to the UNFCCC in the months leading up to COP21.

A side event during the Bonn session provided a comprehensive overview of the current state of NAMAs both generally and as related to the transport sector. Ecofys presented a [mid-year status report](#)<sup>27</sup> on NAMAs (produced in conjunction with ECN Policy Studies), which notes that while NAMAs remain popular, financing for implementation is still moving slowly.

Figure 1 shows Transport NAMAs as a percentage to total NAMAs since conception of Mitigation momentum reporting in 2011. It indicates that there continues to be a steady rise in the number of NAMAs being initiated. The latest information appears to indicate that after a decline in the % of transport NAMAs that this now picking up again.



Source: Various Mitigation Momentum Reports (2011 - 2015)  
([www.mitigationmomentum.org](http://www.mitigationmomentum.org)).

The United Nations Environment Programme-Technical University of Denmark (UNEP DTU) Partnership discussed recent publications on NAMA finance<sup>28</sup>, and introduced the Adaptation Mitigation Readiness ([ADMIRE](#)) Project, which is designed to support NAMAs that promote private sector investment. In addition, the International Institute for Sustainable Development (IISD) presented two recent reports on financing NAMAs,

<sup>26</sup> <http://unfccc.int/focus/mitigation/items/7172.php>

<sup>27</sup> <http://www.mitigationmomentum.org/downloads/NAMA-Status-Report-June-2015.pdf>

<sup>28</sup> [http://www.unepdtu.org/-/media/Sites/Unepdtu/Publications%20\(Pdfs\)/NAMA%20Finance%20primer\\_WEB.ashx?la=da](http://www.unepdtu.org/-/media/Sites/Unepdtu/Publications%20(Pdfs)/NAMA%20Finance%20primer_WEB.ashx?la=da)

recommending to NAMA developers a four-step approach to attract public finance<sup>29,30</sup>, and GIZ introduced a module on NAMA finance that has recently been piloted in *Vietnam*, as well as a guidance on financing transport NAMAs to be included in a forthcoming update of GIZ's [Navigating Transport NAMAs](#) handbook.<sup>31</sup>

Regarding measurement, reporting and verification (MRV) aspects of NAMAs, the World Resources Institute (WRI) presented on its [Greenhouse Gas Protocol](#)<sup>32</sup>, which helps to assess national policies and actions against mitigation goals in 20 countries and cities, and the GIZ TRANSfer project introduced a set of tools to support MRV in the transport sector. GIZ also presented several [blueprint documents](#)<sup>33</sup> highlighting peer-reviewed case studies of MRV approaches to transport NAMAs, with a reference document expected to be available in July 2015.

Despite the efforts described here, it is important to note that the NAMA process in general and the transport NAMA (t-NAMA) process specifically is not progressing quickly enough. Although t-NAMAs have increased from 13% to 16% of all NAMAs over the past year<sup>34,35</sup>, only three t-NAMAs have moved to the implementation stage (see below table<sup>36</sup>), likely due to stiff competition for resources through the NAMA Facility and limited dedicated financial assistance for NAMA implementation.

NAMA title	Country	Sector
Biomass Energy NAMA	Burkina Faso	Energy
Expanding self-supply renewable energy systems in Chile (SSRE)	Chile	Energy
Transit-oriented development	Colombia	Transport
NAMAs in the Costa Rican coffee sector	Costa Rica	Agriculture
Adaptive Sustainable Forest Management in Borjomi-Bakuriani Forest District	Georgia	Forestry
Sustainable Urban Transport Initiative (SUTRI)	Indonesia	Transport
NAMA for sustainable housing in Mexico	Mexico	Buildings
Transport NAMA in Peru	Peru	Transport
South African Renewables Initiative (SARI)	South Africa	Energy
Tajikistan Forestry NAMA	Tajikistan	Forestry
Refrigeration and Air Conditioning NAMA	Thailand	Energy

While the BtG-SLoCaT [COP20 report](#)<sup>37</sup> noted that NAMAs have the potential to play a central role in shaping forthcoming INDCs, there is no clear evidence of this happening at present, and a far greater number of t-NAMAs will be needed to help operationalize emerging INDC transport related reduction targets in order maintain a 2DS.

<sup>29</sup> [https://www.iisd.org/sites/default/files/publications/namas\\_leveraging\\_private\\_investment.pdf](https://www.iisd.org/sites/default/files/publications/namas_leveraging_private_investment.pdf)

<sup>30</sup> [https://www.iisd.org/sites/default/files/pdf/2013/developing\\_financeable\\_namas.pdf](https://www.iisd.org/sites/default/files/pdf/2013/developing_financeable_namas.pdf)

<sup>31</sup> Personal communication, F. Krämer, GIZ, June 24, 2015.

<sup>32</sup> <http://www.ghgprotocol.org>

<sup>33</sup> <http://transport-namas.org/measuring-reporting-and-verification-mrv-expert-group/>

<sup>34</sup> <http://mitigationmomentum.org/downloads/mitigation-momentum-annual-status-report-2014.pdf>

<sup>35</sup> <http://www.mitigationmomentum.org/downloads/NAMA-Status-Report-June-2015.pdf>

<sup>36</sup> <http://www.mitigationmomentum.org/downloads/NAMA-Status-Report-June-2015.pdf>

<sup>37</sup> [http://slocat.net/sites/default/files/u10/transport\\_at\\_cop20\\_despite\\_limited\\_leaps\\_lima\\_limps\\_final.pdf](http://slocat.net/sites/default/files/u10/transport_at_cop20_despite_limited_leaps_lima_limps_final.pdf)



## D. Technology

The **Technical Examination Process (TEP)** is a key element of WS2, and the Bonn session built upon progress in Geneva to shape recommendations to COP21 for advancing the TEP as a more inclusive process. ADP 2-9 gave significant attention to transport through a [Technical Expert Meeting \(TEM\)](#) entitled “Accelerating Implementation of Scalable, Replicable and Transformative Actions in Urban Environments,” which was opened by ADP Co-Chairs Ahmed Djoghlaif and Daniel Reifsnnyder and facilitator Sylvie Lemmet. During the plenary, the World Health Organization (WHO) noted that health benefits of cycling could prevent 10,000 deaths each year, and the UNEP asserted that urban density and transport energy use are closely correlated. Three parallel break-out groups followed on urban lighting and district energy; energy-efficient buildings; and sustainable urban transport. The break-out group on sustainable urban transport was developed with active inputs from the SLoCaT Partnership and was facilitated by Karl Peet of the SLoCaT Partnership.

The sustainable transport breakout session included a panel discussion with presentations from a wide variety of organizational perspectives.<sup>38</sup> Bogor, Indonesia described a sustainable urban transport programme focused around reprioritizing transport modes, integrating transport and land use, and implementing a public education campaign. The Covenant of Mayors gave an overview of its efforts to secure climate commitments from local signatories, among which 29% of emissions analysed by signatories and 18% of actions planned under Sustainable Energy Action Plans are transport related. BYD Europe B.V. reported that BYD electric buses are operational in 47 cities worldwide, and that electric mobility is a central element of raising mitigation ambition in the transport sector. The World Bank presented on mode choice, fuel use and emissions in urban transport, stating that low-emission transport can be decoupled from economic growth, and that monetizing key co-benefits is essential to changing modal composition. And the Global Fuel Economy Initiative took an “intensely practical” approach to reducing transport emissions with a goal to double fuel efficiency in all motor vehicles by 2050, which if realized could yield a net savings of \$2 trillion that would ideally be reinvested in sustainable low carbon transport strategies.

In subsequent discussion, the *United Kingdom’s* Department of Energy and Climate Change asked how urban form in countries like the *United States* and *Australia* has influenced mobility patterns, and *AOSIS* asked how to increase sustainable transport without restricting individual mobility, and questioned whether developed countries should ban export of high-emissions vehicles to developing countries. Dakar, *Senegal* asked how local governments can better integrate transport and planning to push mode shift away from individual mobility, and *New Zealand* asked whether vehicle electrification has potential to be a disruptive technology for reducing emissions in the transport sector. Finally, the *Lima-Paris Action Agenda (LPAA)* asked how MDBs can help to unlock financing flows to accelerate investment in sustainable transport.

In a side event hosted by the UNFCCC’s Climate Technology Centre and Network (CTCN), *Bhutan* was highlighted as a notable example of a least-developed country to

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<sup>38</sup> <http://www.iisd.ca/vol12/enb12634e.html>

request assistance from CTCN to improve its public transport systems. CTCN responded with assistance in developing a full project proposal, capacity building through network partners, and in-country training through the CTCN programme. However, it was also noted that of 35 requests received by CTCN in 2014, only one came from the transport sector, which begs the question of how to increase demand from other countries to tap into transport mitigation potential through technical channels.

The SLoCaT Partnership could play a potential role in facilitating additional transport sector proposals through CTCN, by working through SLoCaT members to assist countries in better understanding the CTCN process (through a transport-specific summary), and in preparing and submitting transport sector proposals. Such efforts could be furthered on a broader scale through ongoing regional dialogues planned through the Paris Process on Mobility and Climate (PPMC) and through other channels leading up to COP21.

## E. Finance

During ADP 2-9, a number of developing countries stated that sufficient finance is a key enabler for mitigation and adaptation ambition. *Brazil* said a COP21 agreement should enhance current obligations while finding “creative ways to indicate that there will be actions from everyone,” while *New Zealand* called for an agreement that guarantees effective outcomes. The *European Union* called for sending a signal to the private sector on the need to “shift the trillions” to low-carbon, climate-resilient development, while *India* and *Saudi Arabia*, for the Arab Group, stressed that public funding should be the primary source. *Mexico* and the *Environmental Integrity Group* stressed the need for all sources of finance, noting that different circumstances require different instruments.<sup>39</sup>

Notwithstanding a pledge by Germany during the Bonn session to double its contribution to the Green Climate Fund (GCF)<sup>40</sup>, capitalization of the fund is proceeding slowly, with the total amount pledged as of 16 June 2015 standing at just over 10 billion.<sup>41</sup> During the Bonn session, the GCF reiterated its intention to progress toward the targeted goal of 100 billion by 2020, and detailed its plans to disburse funds among potential recipients when the fund becomes active, with 55 proposals received to date from a diverse pool of applicants.<sup>42</sup> In addition, the GCF stated its intention to maintain a balance between mitigation and adaptation funding, and among geographic regions, and to allocate a significant portion of its overall funding through its Private Sector Facility (PSF).

Building upon discussion of the “100 billion dollar question,” a side event focused on bridging the mitigation and finance gap to raise pre-2020 ambition.<sup>43</sup> CAN Europe presented ways of increasing climate finance to close the emissions gap, highlighting innovative financing sources such as emissions trading schemes, financial transaction taxes, and redirecting fossil fuel subsidies to fund renewable energy. Germanwatch discussed research from the [Carbon Tracker](#) initiative, showing that pledges from the G7

<sup>39</sup> <http://www.iisd.ca/vol12/enb12638e.html>

<sup>40</sup> <http://www.germanclimatefinance.de/2015/06/01/petersberg-climate-dialog-calls-100-billion-roadmap-merkel-doubles-german-climate-aid/>

<sup>41</sup> [http://news.gcfund.org/wp-content/uploads/2015/04/GCF\\_contributions\\_2015\\_june\\_16.pdf](http://news.gcfund.org/wp-content/uploads/2015/04/GCF_contributions_2015_june_16.pdf)

<sup>42</sup> [http://news.gcfund.org/wp-content/uploads/2015/06/present\\_GCF\\_2015\\_June\\_Bonn.pdf](http://news.gcfund.org/wp-content/uploads/2015/06/present_GCF_2015_June_Bonn.pdf)

<sup>43</sup> <http://www.iisd.ca/climate/sb42/enbots/6jun.html>

and the *European Union* amount to only 5% of those needed by 2020 to stay within a 2DS<sup>44</sup>, and offering potential low-cost options for achieving emissions reductions, including discontinuing construction of fossil fuel-based infrastructure, and divestment from fossil fuels. Discussion topics included cooperation between ministries to streamline budgetary policies; competition between official development assistance and climate financing; and financial risks of investing in fossil fuel-based infrastructure.

In the course of ADP 2-9, the Norwegian Parliament announced that the world's biggest sovereign wealth fund, *Norway's Government Pension Fund Global (GPF)*, would divest from companies which derive more than 30% of their income from coal extraction or coal power generation.<sup>45</sup> This breaking news followed a series of announcements from major investors, including AXA, Bank of America and *Crédit Agricole*, to divest from or reduce financing for coal (along with California's two largest pension funds, which are poised to do the same<sup>46</sup>). While a transition to full decarbonisation will require public money, institutional investors such as sovereign wealth funds can help to redirect the trillions needed for investments in renewable energy, sustainable transport and other clean technologies. Norway's announcement also highlights the necessity for future divestment from petroleum-based fossil fuels in addition to coal, which will be required in the long run to maintain a 2DS, and will have broad implications for the transport sector..

During the Bonn session, the *United States'* Environmental Protection Agency (EPA) proposed to declare that airplanes' GHG emissions pose a threat to public welfare, the first legal step toward imposing climate regulations on airlines.<sup>47</sup> Many predict the EPA will ultimately issue regulations in line with targets expected to be set by the International Civil Aviation Organization (ICAO) in 2016<sup>48</sup>. The aviation sector (through ICAO) is in the process of developing a market-based mechanism to use offsets to limit its emissions to 2020 levels, yet there is no process in place to discuss future aviation emissions reductions. International shipping remains the only sector that does not have a process in place to agree on an absolute emission reductions target. In May 2015, the International Maritime Organization (IMO) turned down a proposal by the Marshall Islands to begin such a process, although the Marshall Islands has the third largest shipping registry in the world. With these developments in mind, it is essential to preserve and improve upon ICAO and IMO language from Geneva, which suggests imposing a levy on these sectors to provide new climate finance, in forthcoming texts.<sup>49</sup>

Following the conclusion of the Bonn session, a number of the world's largest multilateral development banks (MDBs) released a [joint report](#) stating that they have provided USD 28.3 billion to climate finance in 2014, of which sustainable transport accounted for USD 6.3 billion of the total portfolio. This would mean that the share of sustainable transport in the MDBs' climate finance portfolios has increased from 20% in 2011 to 27% in 2014 (mitigation only).<sup>50</sup> Given the pivotal role of public finance

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<sup>44</sup> Germanwatch also noted studies showing that pre-2020 efficiency improvements could be tripled in Germany with the implementation of effective policies.

<sup>45</sup> [http://www.climatenetwork.org/sites/default/files/eco\\_-\\_saturday\\_6\\_june\\_-\\_final.pdf](http://www.climatenetwork.org/sites/default/files/eco_-_saturday_6_june_-_final.pdf)

<sup>46</sup> <http://www.reuters.com/article/2015/06/24/california-divestiture-coal-idUSL1N0ZA1G620150624>

<sup>47</sup> [http://www.nytimes.com/2015/06/11/business/energy-environment/epa-says-it-will-set-rules-for-airplane-emissions.html?\\_r=0](http://www.nytimes.com/2015/06/11/business/energy-environment/epa-says-it-will-set-rules-for-airplane-emissions.html?_r=0)

<sup>48</sup> <http://www.nytimes.com/reuters/2015/06/18/business/18reuters-airshow-france-airlines-ets.html>

<sup>49</sup> [http://www.climatenetwork.org/sites/default/files/eco\\_-\\_tuesday\\_2\\_june\\_-\\_final.pdf](http://www.climatenetwork.org/sites/default/files/eco_-_tuesday_2_june_-_final.pdf)

<sup>50</sup> <http://slocat.net/news/1494>

agencies in scaling up climate finance, MDBs play a major role to play in mainstreaming climate change and in providing finance in an effective and catalytic manner.

## F. Adaptation

Adaptation is crucial in the transport sector, as sustainable transport systems must become more resilient to climate change to maintain reliability and increase ridership, and thus to achieve full mitigation potential. Yet, while adaptation has enjoyed a heightened profile in discussions since COP15 Copenhagen (and reached a surge in attention during COP20 Lima), transport has until now been nearly non-existent in UNFCCC dialogue on climate change adaptation.

Regular cycles for communicating planned adaptation action can help countries to share adaptation priorities and support needs and to ground adaptation finance discussions. In negotiations during the Bonn session, the *United States* asserted that the adaptation and mitigation cycles are likely to have different requirements, and the *European Union* suggested addressing the mitigation cycle separately from adaptation and finance cycles, while *China*, with *Brazil* and *Saudi Arabia*, opposed taking such a “mitigation-centric” approach to re-evaluation.<sup>51</sup> Regular adaptation cycles are particularly relevant within the transport sector, as transport systems in developed and developing countries alike are vulnerable to the impacts of rising seas and extreme weather.

As countries make additional investments in adaptation planning tools, some are choosing to communicate their needs by including an adaptation component in their INDCs.<sup>52</sup> *Mexico* has communicated general adaptation policies and a specific goal to halve the number of vulnerable municipalities, *Morocco* has stated concrete goals on adaptation-related outcomes, *Ethiopia* has communicated its commitment to mainstreaming adaptation, and *Gabon* has highlighted coastal adaptation priorities.

National Adaptation Plans (NAPs), which are underway in many least-developed countries (LDCs) may also be linked to INDCs, and LDCs and other developing countries can access funding through the GCF readiness programme for activities related to NAPs.<sup>53</sup> Both NAPs and INDCs are likely to be most effective if they are based on a long-term vision for development as well as climate resilience;<sup>54</sup> thus, it is essential that NAPs provide detailed adaptation strategies in the transport sector, and that they emphasize significant needs for capacity building among public and private sector entities to build and operate more resilient transport systems.

During the Bonn session, the Climate Action Network (CAN) highlighted the fact that climate adaptation and resilience have important implications for the four pillars of food security: production, access, utilisation and stability. Sustainable transport is an essential element of the second pillar, as food security depends upon reliable access to agricultural products through all-season roadway infrastructure, particularly in rural areas. To ensure food security, Parties must therefore address vulnerability in each of

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<sup>51</sup> <http://www.iisd.ca/vol12/enb12638e.html>

<sup>52</sup> [http://eco.climatenetwork.org/sb42\\_adp2-9-eco7-2/](http://eco.climatenetwork.org/sb42_adp2-9-eco7-2/)

<sup>53</sup> <http://www.iisd.ca/vol12/enb12638e.html>

<sup>54</sup> [http://eco.climatenetwork.org/sb42\\_adp2-9-eco10-5/](http://eco.climatenetwork.org/sb42_adp2-9-eco10-5/)

the above pillars, which requires adequate sources of adaptation finance responsive to issues identified by key stakeholders from food production to transport to consumption.<sup>55</sup>

Noting efforts by GCF to achieve greater parity in mitigation and adaptation funding, overall climate finance flows remain inequitable; for example, out of the total \$28.3 billion in climate finance provided by the six largest MDBs in 2014, 82% was dedicated to mitigation efforts and only 18% was allocated to adaptation strategies.<sup>56</sup> The forthcoming [Environmentally Sustainable Transport \(EST\)](#) forum to be held in November 2015 in Kathmandu, Nepal will focus on building resilience in the transport sector, and this type of dialogue will need to be expanded (along with necessary funding) to ensure that sustainable transport systems can adapt to climate impacts and maximize their contribution to emerging INDC strategies for both mitigation and adaptation.

### III. Summary and Next Steps

ADP 2-9, saw steady progress on transport within the UNFCCC process, through participation in a TEM session on energy efficiency in urban environments, and by highlighting pre-2020 ambition and subnational climate action in the ‘Transport Tackles Climate Change’ side event. However, the road to Paris still appears long and winding, as transport-specific targets remain the exception among INDCs, fossil fuel subsidies persist, aviation and maritime commitments remain unresolved, and technology assistance for sustainable transport continues to lag in the CTCN process relative to other sectors. These issues must be resolved since transport is a critical cross cutting issue within the UNFCCC process, and without full inclusion of transport there will be little substantive progress toward meeting targets required to maintain a 2DS.

During the Bonn session, facilitated groups were asked to turn the 90-page Geneva negotiating text into a more “concise, coherent and streamlined” text. Despite collective best efforts, by the end of the session the [negotiating text](#) had shrunk by only five pages (and still contains only three direct references to transport, including two in an ICAO/IMO context). A subtler task for the co-chairs was to generate a climate of trust for the negotiations ahead, and many agreed that discussions at the Bonn session were more successful in this regard, with some Parties forming unprecedented alliances. A revised Bonn negotiation text is to be compiled by the co-facilitators, which is expected to be circulated by the end of July.<sup>57</sup>

Discussion of INDCs enjoyed a heightened profile during ADP 2-9, and COP21 is expected to bring this process towards completion, by creating **a hybrid architecture** that incorporates parties’ nationally-determined contributions under an internationally-agreed upon framework. Initiatives undertaken by **non-state actors** also received greater visibility in Bonn, notably through the TEM process, numerous side events, and visible expressions of mitigation and adaptation actions among cities, regions and corporations. Acknowledging that success in Paris will depend in no small part on non-state actors, the COP21 Presidency has announced a series of events to showcase collaboration among cities, regions, companies, investors and nations to raise ambition.

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<sup>55</sup> [http://eco.climatenetwork.org/sb42\\_adp2-9-eco3-5/](http://eco.climatenetwork.org/sb42_adp2-9-eco3-5/)

<sup>56</sup> <http://slocat.net/news/1494>

<sup>57</sup> <http://www.iisd.ca/vol12/enb12638e.html>

A disappointing outcome of ADP 2-9 was the lack of consensus on **pre-2020 action**. Negotiations on this issue stalled in Bonn, with parties unable to agree on the scope of the WS2 mandate, and this polarization of views on pre-2020 ambition could stifle progress towards an agreement at COP21. And progress toward the most important objective of the Bonn session, to begin **substantive negotiations** on the Geneva text, were rather modest, with many facilitated groups engaging in conceptual discussions only towards the end of the session.

The lack of progress on these and other issues will raise pressure on delegates during the two remaining ADP meetings in Bonn en route to Paris, with ADP 2-10 to be held from 31 August to 4 September, and ADP 2-11 to take place from 19 to 23 October. In addition to progressing through the UNFCCC process, additional progress must be made in other regional forums and related discussions in the months leading up to COP21 to achieve a product that strengthen the crucial link between sustainable transport and climate change.

The remaining months leading up to COP21 are a crucial opportunity to emphasize the connection between transport improvements and climate action. This process is underway through channels such as the [Paris Process on Mobility and Climate \(PPMC\)](#), which offers common messaging, knowledge products, and regional dialogues, en route to a greater presence for transport at COP21. This process is complemented by the continued promotion of transport commitments made at Rio+20 and the Secretary General's Climate Summit, in conjunction with the LPAA. Forging closer connections between sustainable transport and city-level climate commitments is also well underway through efforts from networks including ICLEI, the Covenant of Mayors and many others.

As the second half of 2015 dawns, transport must gain additional ground to maximize its impact in Paris. The SLoCaT Partnership and its strategic partners are poised to build further momentum, with plans to track pre-2020 ambition within the transport sector, to continue outreach to countries and regional alliances on including transport strategies within INDCs, to track ongoing trends in transport NAMAs, to support country outreach on technical assistance opportunities for transport through CTCN, to further ongoing discussions on transport finance, and to assess both adaptation and mitigation strategies for the transport sector within INDCs. In this context, the UNFCCC process must also do its part to ramp up efforts to ensure that transport is a key element in a forthcoming agreement at COP21.