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Subject: Bonn Climate Change Negotiations Session: Important, though Incremental, Progress Made on Road to a Paris Agreement

1. (SBU) SUMMARY: Parties to the UN Framework Convention on Climate Change (UNFCCC) met in Bonn, Germany from June 1-11, 2015 and made incremental progress toward an international climate change agreement, to be adopted in Paris in December 2015. At the June session, Parties sought to streamline and consolidate the 90-page negotiating text developed in Geneva in February 2015, but Parties did not make substantive compromises on the various policy options in the text. Though progress was slow, the co-chairs of the process secured the trust of Parties and left with a mandate to prepare a non-paper that further consolidates text and provides guidance on which provisions are best addressed in the agreement itself versus accompanying decisions. This non-paper will be released on July 24, 2015, and will allow Parties to immediately begin substantive negotiations at the next negotiation session from August 31-September 4, 2015. In addition, the United States and other Parties continued discussions in the margins about possible landing zones for the key issues in the negotiations. END SUMMARY.

The slow and deliberate (but to be expected) process of negotiating a climate change agreement

2. (SBU) The 195 Parties to the UNFCCC are negotiating a climate change agreement applicable to all Parties, to be adopted in Paris in December 2015, and go into effect from 2020. The United States is seeking a concise agreement that provides a framework for climate change action for years to come.

3. (SBU) Parties started the June session with the task of streamlining a 90-page negotiating text developed in Geneva in February 2015. The text is a lengthy compilation of all Parties' proposals, and contains many contradictory or duplicative provisions. Parties spent two weeks attempting to make the existing text more orderly, focusing on consolidating duplicative provisions, and highlighting areas of agreement. Coming into the session, the United States expected the process to be slow, and this proved to be the case. With over five months of negotiations remaining before COP-21, Parties remain unwilling to give up their positions. Nonetheless, the United States and many other developed and

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developing countries are pushing for the process to move more quickly.

4. (SBU) Discussions first focused on a "mechanical" streamlining of text and consolidation of options. Parties held firm to their options, not seeing this as the time to compromise on their positions. Facilitators captured consolidated options and reflections in a streamlined version of the Geneva text (of 85 pages), as well as a "working document," containing general observations and consolidated options, to accompany the Geneva text. Subsequently, discussions on some topics transitioned from "streamlining" text to "unpacking" proposals. This allowed Parties to begin to discuss the details of their respective positions, and there was some helpful identification of areas of convergence and divergence. In the closing plenary, Parties gave the co-chairs a mandate to further streamline and consolidate text after the session, and provide guidance on which issues are best addressed in the agreement itself versus accompanying decisions. The co-chairs secured this mandate because of general frustration with the pace of the progress Parties were making, and as a result of the trust they had built with Parties through the transparent and inclusive manner in which they have conducted their work to date. Their non-paper will be released on July 24, 2015, and, if accepted by Parties, will allow Parties to begin substantive negotiations at the next session in August 2015.

5. (SBU) On the margins of the June session, U.S. officials met with counterparts bilaterally and in groups from other developed countries and developing countries to discuss the way forward and common ground. This socializing of positions is critical in preparing Parties for the stage when compromises will be needed to conclude an agreement.

Process through Paris

6. (SBU) There are three more formal UNFCCC negotiating sessions in 2015: in August and then in October in Bonn, Germany, and the 21st Conference of the Parties (COP) in December in Paris. Discussions at the August session will focus on the co-chairs' non-paper, and we expect to have specific substantive discussions on how to resolve differences on major issues. The October session will likely include a ministerial segment to further develop landing zones on key issues.

7. (SBU) In addition to formal sessions, Parties will continue to meet informally throughout 2015. The United States will convene the Major Economies Forum on Energy and Climate (MEF) in July, September, and possibly November to bring together leading developed and developing countries to focus on landing zones for the key issues in the negotiations. Further, the President, the Secretary, and senior U.S. officials will raise the negotiations and the need to submit INDCs as a priority matter in bilateral meetings with key counterparts. In addition, the Peruvian COP Presidency and incoming French COP Presidency will host a number of informal meetings throughout the year on the key issues related to the agreement. The French said they were looking at holding ministerial meetings July 20-21 and on September 7.

Presentations on countries' post-2020 targets to reduce emissions

8. (SBU) At the Bonn session, the United States delivered two presentations on the U.S. target of reducing emissions by 26-28 percent below 2005 levels in 2025 (our so-called "intended nationally determined contribution" or INDC). These presentations were warmly received and further cement the United States as a leader in transparency. Eight other Parties also presented on their INDCs and we expect additional countries will present at the remaining negotiation sessions this year.

9. (SBU) As of June 19, 2015, 12 countries (39 counting the EU as its 28-member States) have formally submitted INDCs to the UNFCCC. These include Switzerland, the European Union, the United States, Norway, Mexico, Gabon, Russia, Liechtenstein, Andorra, Canada, Ethiopia, and Morocco. These countries, combined with China, which announced its target last November but has not yet submitted its INDC, account for over half of global emissions (based on 2012 emissions data). We expect many more countries to come forward with INDCs before Paris.

Enhancing pre-2020 ambition

10. (SBU) On enhancing mitigation ambition before 2020 - the period before the new agreement is to take effect - Parties discussed elements for a decision in Paris. The United States and other developed countries supported the existing mandate of Workstream 2 to focus on mitigation ambition, including furthering the technical examination process to

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explore mitigation opportunities, while the G-77 supported broadening Workstream 2 to include work on financial support, technology, and adaptation.

Other issues

Successful outcome in the REDD+ negotiations

11. (SBU) In Bonn, negotiators concluded discussions under the UNFCCC on guidance for developing countries seeking to reduce emissions from forests (known as REDD+). The three draft decisions are expected to be formally adopted at COP-21 in Paris. These decisions complete the full methodological package to guide implementation of actions, including measuring and monitoring, to reduce emissions from forests in developing countries. With this, Parties agreed to close the REDD+ agenda items under the UNFCCC.

Developing country transparency of climate change action

12. (SBU) One issue raised in Bonn was the failure of most developing countries to submit their required biennial reports on actions they are taking to address climate change. This requirement, which originated in the Cancun negotiations in 2010, roughly parallels a similar process for developed countries, and includes a technical analysis of the countries' report, followed by a formal question and answer session. The first technical analysis occurred in mid-May 2015, and the first Q&A session will likely occur at COP-21 in Paris. Troublingly, only 13 developing countries (~10% of the total in the UNFCCC) have so far submitted their "biennial update reports," although the reports were due on December 31, 2014. In Bonn, the United States and other developed countries strongly encouraged all developing countries to submit these reports as soon as possible, emphasizing the importance of regular reporting and review to trust-building.

2013-2015 Review

13. (SBU) The June session included a discussion of the "2013-15 Review," intended to assess: (1) the adequacy of the long-term global goal of limiting warming to below 2 degrees Celsius above pre-industrial levels; and (2) progress towards achieving this long-term global goal. The topic is not without controversy, since small islands have rejected the 2 degree goal as insufficient, and are seeking agreement on a new long-term goal to limit warming to below 1.5 degrees Celsius above pre-industrial levels. Other developing countries are using this forum to argue that developed countries are providing insufficient financial and technical support to developing countries. Most countries arrived at the session expecting to negotiate a substantive text. However, a small group of Parties (led by Saudi Arabia) was successful in limiting the Bonn outcome to purely procedural conclusions. The issue will be taken up again in Paris, where it is mandated to conclude.

"Response Measures"

14. (SBU) Negotiations on the impact of the implementation of response measures allow countries to discuss how addressing climate change may positively or negatively affect their societies and economies, though oil-producing or trade-exposed countries attempt to steer the discussion toward negative economic impacts, including the possible need for compensation. Negotiations in Bonn concluded by forwarding a compromise draft decision text that will be the basis for consideration at COP-21 in Paris. While the text contains problematic elements (particularly the establishment of a permanent body on response measures), all Parties left pleased with the progress made at this session, which is an important step ahead of Paris.

Agriculture

15. (SBU) The UNFCCC made incremental progress, as it gingerly entered the field of discussing the sensitive issue of agriculture and climate change. It held technical workshops on early warning systems and contingency plans in relation to extreme weather events, and on risk assessments. These steps may pave the way for tackling the more challenging topics of the role of agriculture in mitigation and adaptation in this area.

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16. (U) Talking Points:

- ▢ Parties worked hard at the recent Bonn negotiating session and made some progress towards a more concise text that will form an important basis for negotiations leading up to COP-21 in Paris.
- ▢ The slow pace was not unexpected, given the stage we are at in the negotiating process. Nonetheless, we would have liked to have gone further at this last session in unpacking Parties' substantive ideas and identifying areas of convergence.
- ▢ It is critical that we make substantial progress at our next session in August if we are to achieve a successful outcome in Paris. We look forward to beginning negotiations in earnest in August, with a view to identifying areas of convergence and developing solutions to the key issues in the negotiations.
- ▢ We look forward to working with your delegation, and are happy to engage with you on key issues before the August meeting.

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