



**What is the likely outcome of the Durban Platform process?
Results of an online questionnaire survey**

June 2013

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A report from the research project, “Study on an Agreeable and Effective International Institution Concerning Climate Change for Years After 2020,” funded by the Environment Research Fund of Japan’s Ministry of the Environment.

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Summary

At the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Durban, South Africa, in November–December 2011, a decision known as the Durban Platform was reached. The Durban Platform launched “a new process to develop a protocol, another legal instrument or an agreed outcome with legal force under the UNFCCC,” which would be “applicable to all Parties.” The process was to be completed as early as possible, but no later than 2015, so that the new instrument could come into effect and be implemented by 2020.

We conducted an online questionnaire survey to get a better idea of the new international framework that will become applicable to all parties. The survey was conducted between 9 January and 4 February 2013. The timing of the survey was chosen so that the respondents would be able to see the outcomes of the COP18 and COP serving as the Meeting of the Parties to the Kyoto Protocol (CMP) 8, held in Doha, Qatar, in December 2012. The survey was open to anyone interested in international negotiations on climate change. It was announced via various mailing lists related to climate change negotiation.

One hundred responses were collected. Although the number of the responses may be insufficient for a statistical analysis, the results of the survey revealed some of the dimensions of the different country coalitions as well as potential conflicting perspectives among countries. Various elements of the new institution were examined, and our results and conclusions are as follows.

Legal form: Some respondents still prefer COP decisions or political declarations over other types of institutions with legal force (presumably the type that would be necessary to fulfill the goal of the Durban Platform). The negotiations should aim at a simple new legal instrument with legal force, while working on a set of COP decisions to agree on the agendas not included in the new legal instrument.

Emission reduction/mitigation targets: Overall, there was a clear preference for the new institution to handle emission reduction/mitigation targets. There was a general preference for the use of legally binding targets rather than voluntary ones, but some respondents preferred the use of voluntary targets. In future negotiations, discussions should focus on how to determine levels of emission reduction/limitation targets, and several target-setting methodologies could be combined to develop environmentally effective and politically agreeable emission targets.

Implementation of mitigation actions, policies, and measures: The result showed a clear preference for the new institution to handle mitigation actions, but there was disagreement on the legally binding nature of the policies and measures. Rather than expecting negotiations to produce a list of concrete and specific policies and measures to be implemented in each country, it may be more effective to construct a thorough monitoring, reporting and verifying (MRV) process to examine all countries’ progress on the implementation.

Utilization of carbon markets: The use of a cap-and-trade type of scheme at the international

level and linking various domestic carbon markets both were perceived as favorable. Upcoming international negotiations may aim at linking various domestic carbon markets around the world to utilize existing instruments to reduce emissions in an economically efficient manner.

Financial mechanisms: Many respondents supported a financial mechanism based on the use of diverse financial resources, including private funding and investments. Future negotiations on the financial mechanism should aim at reaching consensus on precise rules for the mechanism, including the allocation of financial resources.

Ways to reflect common but differentiated responsibilities (CBDR): Most respondents acknowledged that CBDR needs to be reflected in the new institution. Although many were not satisfied with the current Annex I and non-Annex I criteria, few good new ideas were suggested. It would be helpful to attempt to incorporate CBDR in elements other than emission targets during the negotiations.

Relative size of utilities among emission targets, mitigation actions, and finance: Countries acquire the highest level of utility when the financial mechanism includes a wide variety of funding sources, including private investments, followed by legally binding emission targets and mitigation actions. This order was the same for the entire group as well as for the Annex I and non-Annex I groups.

This result could be interpreted that there is no conflict between Annex I and non-Annex I countries concerning these fundamental building blocks for the basic elements, but conflicts do exist within each building block. For example, countries could agree that the financial mechanism should accept funding from diverse sources, but they might not be able to agree on the absolute amount of financial resources or on how the funding should be allocated among numerous mitigation and adaptation activities in developing countries.

What should be included in the new institution and tasked out to other institutions: Emission targets, long-term targets, and the MRV process all received broad-based support for inclusion in the new institution. Non-Annex I respondents strongly preferred including adaptation, technology transfer, and loss & damage, but Annex I respondents did not. Some other elements, such as sectoral approaches (e.g., international bunker fuels), monitoring of greenhouse gases (GHGs) other than CO₂ (e.g., fluorinated gases), and cooperation on the enhancement of renewable energy, were suggested to be tasked to international institutions and activities outside the UNFCCC regime.

Within the context of these suggestions on the building blocks of the new institution under the Durban Platform, the next stage of our research will be to develop more concrete options for the new international institution.

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Purpose of the survey

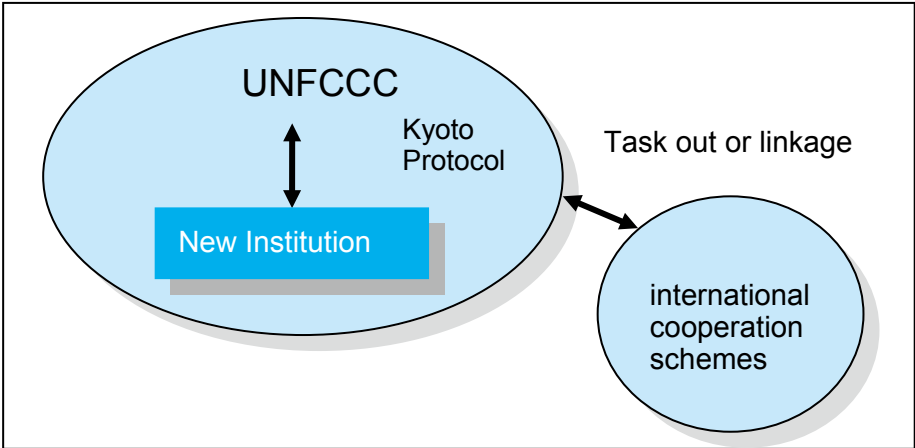
At the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Durban, South Africa, in November–December 2011, a decision known as the Durban Platform was reached. The Durban Platform launched “a new process to develop a protocol, another legal instrument or an agreed outcome with legal force under the UNFCCC,” which would be “applicable to all Parties.” The process was to be completed as early as possible, but no later than 2015, so that the new institution could come into effect and be implemented by 2020. This process is called the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). More than a year has passed, but there is still no common understanding as to what the new institution will look like. Several questions remain unanswered. What kind of legal instrument, what kind of commitments, and for which countries? With less than three years remaining until the end of the target year, it is

important to investigate the basic architecture of the plausible outcome. Thus, the purpose of this questionnaire was to get a better idea of the new international institution that will become applicable to all parties. This agreed outcome also would need to be environmentally effective enough to be able to reach the long-term target, as is described in Article 2 of the UNFCCC. In that sense, level of ambition ought to affect countries’ positions as well. Nevertheless, this survey focused only on the architecture and building-blocks of the framework to examine countries’ preferences on the type of international institution.

Underlying thinking and structure of the survey

Because of time limits on negotiations, it is worthwhile to consider which elements are indispensable for the institution to be agreeable to all parties and which elements could be left out to be handled by other means under the UNFCCC or by other existing international forums (Figure 1).

Figure 1: Image of future climate change regime



For example, activities and commitments related to technology transfer and deployment could be a part of the new institution, or they could be handled by other arrangements under the UNFCCC. Moreover, technology-related cooperation could be substantially accelerated outside the UNFCCC, such as by bilateral cooperation and private company investments. There are various international (multilateral, regional, and bilateral) cooperative forums that conduct activities indirectly leading to climate change mitigation and adaptation. While negotiations under the UNFCCC are stalled, these forums could play significant roles in making progress in the implementation of climate change policies.

The survey was constructed with this idea in mind. It consisted of questions on the climate change negotiation process, focusing particularly on the proposed new process or institution under the Durban Platform. The questionnaire was divided into two sections. The first section asked about the respondents' views about the indispensable elements that must be agreed upon by 2015 under the Durban Platform, and the second section asked about their views on elements that could be tasked out to other

existing institutions both inside and outside of the UNFCCC forum.

The questions asked the respondents' opinions on the options *their countries* were most likely to support in the negotiation process under the Durban Platform, not the respondents' own personal preferences. For brevity, we report the results in terms of preferences or support of the respondents or groups of countries. In all cases, these results should be interpreted as respondents reporting the option they believed their countries would most likely support in the context of the question.

Before beginning to answer the questions, respondents were provided with the elements and options explained in Table 1. There were six basic elements that could be addressed by the new international institution. Although a wide variety of options existed in the literature and in submissions from governments for each element, only the three most simple and extreme options were provided. When the element could be tasked out to other institutions, that was included as option C in the table. Option D was given as an opportunity to describe any other possibilities.

Table 1: Elements that could be included in the new institution, and options

Element	Option A	Option B	Option C
(1) Legal form	New protocol	COP decision	Political declaration
(2) Commitment on national emissions target	Legally binding numerical targets (e.g., the Kyoto Protocol)	Non-binding voluntary numerical goals	No indications of emissions levels
(3) Commitments on mitigation actions, policies, and measures	Legally binding mitigation actions	Non-binding domestic mitigation actions, with international assessment	No indications of mitigation actions, policies and measures
(4) Use of carbon trading market mechanisms	Cap and trade at the international level; full use of other crediting mechanisms	Linkage of domestic emissions trading schemes, with some offsets and crediting	No indications of use of carbon market mechanisms
(5) Financial mechanism	Financed only by public funding from developed countries	Financed by various resources including private investments	No indications of use of financial mechanisms
(6) Common but differentiated responsibilities (CBDR)	Current grouping, which is Annex I and non-Annex I countries	Re-grouping of countries according to formulas such as GDP per capita	No more grouping of countries, and CBDR will be attained by other means

Survey results

The online questionnaire survey was conducted between 9 January and 4 February 2013. The timing of the survey was chosen so that the respondents would be able to see the outcomes of the COP18 and COP serving as the Meeting of the Parties to the Kyoto Protocol (CMP) 8, held in Doha, Qatar, in December 2012 before completing the survey. The survey was open to anyone interested in the international negotiation on climate change. The

survey was announced via various mailing lists related to climate change negotiation.

One hundred responses were collected. Although the absolute number of the responses may not be sufficient to conduct a statistical analysis, the results revealed some of the dimensions of various country coalitions and existing conflicts among countries.

Question 1. What is your nationality?

There were 64 respondents from Annex I countries and 36 from non-Annex I countries (Table 2). There was no response from anyone in China, but this might have been due to limitations in internet access in that country. China is an influential country in the actual negotiations, so it was regrettable to have no response.

Among the Annex I countries, there were 32 responses from people in European countries (this includes some non-EU member states, such as Norway and Switzerland), 18 from Japan and the Russian Federation (these two countries are the

Kyoto parties that decided not to participate in the second commitment period of the Kyoto Protocol. Although New Zealand is in the same situation, we decided to include New Zealand in the latter group because of general political and economic relation), and 14 from other Annex I countries (the United States, Canada, Australia, and New Zealand). The analysis of the following questions were made by grouping the respondents' countries into Annex I and non-Annex I countries, as well into the three groups of Annex I countries mentioned above.

Table 2: Nationality of the respondents

Nationality	Number of respondents
JAPAN	16
INDIA	15
UNITED STATES OF AMERICA	9
GERMANY	5
FRANCE, GHANA, NEPAL	4
BRAZIL, FINLAND, SPAIN, SWEDEN	3
BANGLADESH, CANADA, NEW ZEALAND, POLAND, RUSSIAN FEDERATION, SAUDI ARABIA, SWITZERLAND, THAILAND, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	2
AUSTRALIA, AUSTRIA, BELGIUM, BOLIVIA, CAMEROON, DOMINICAN REPUBLIC, GREECE, GUATEMALA, ITALY, KAZAKHSTAN, MEXICO, NETHERLANDS, NIGERIA, NORWAY, PORTUGAL, SOUTH AFRICA, TURKEY, VIETNAM	1

Question 2. Please choose your occupation or affiliation.

One-third of all the respondents were researchers (Table 3). Having researchers as respondents is good in terms of their expertise as well as their expected neutral positions on climate change policy debates. There was a good balance in the number of respondents from the business sector and environmental NGOs in Annex I countries, but the balance was tilted toward the latter in the non-Annex I countries. About a third of the respondents in non-Annex I countries were affiliated with environmental NGOs, but established NGOs in

developing countries often play a research role. There were few representatives from the media, local governments, and political parties. “Others” were generally affiliated with international organizations or were consultants.

As a whole, the respondents were familiar enough with climate change negotiation to be eligible to participate, and their average positions could be considered to be neutral in terms of climate change mitigation policies.

Table 3: Occupation or affiliation of the respondents

	Total	Annex I Countries	Non-Annex I Countries
National governmental officials	14	9 (14.1)	5 (13.9)
Business and industry	12	10 (15.6)	2 (5.6)
Environmental NGO	23	12 (18.8)	11 (30.6)
Researcher	34	22 (34.4)	12 (33.3)
Media	3	2 (3.1)	1 (2.8)
Local government officials	1	0 (0)	1 (2.8)
Political party representative	0	0 (0)	0 (0)
Others	13	9 (14.1)	4 (11.1)
	(international organizations, consultants, students, etc.)		

Note: Figures in parenthesis () indicate percentages within each country group.

Question 3. Which COPs have you attended?

This question was asked to determine each respondent's level of knowledge on climate change negotiation. Generally speaking, those who have been to many COPs are likely to be more knowledgeable about climate change negotiations. As shown in Table 4, however, more than one-third of all respondents had never been to a COP meeting and nearly two-thirds of the respondents from non-Annex I countries had never been to a COP

meeting. Especially in non-Annex I countries, financial constraints could be the main reason for not attending COPs. In fact, there was very little difference in the responses of frequent COP participants and those of non-participants. Thus, we decided not to discriminate between the responses according to the respondents' frequency of attendance at COPs.

Table 4: Frequency of the respondents' attendance to the COPs

(times)	Total	Annex I Countries	Non-Annex I Countries
14	1	1 (1.6)	0 (0.0)
13	2	2 (3.1)	0 (0.0)
12	2	2 (3.1)	0 (0.0)
11	1	0 (0.0)	1 (2.8)
10	2	2 (3.1)	0 (0.0)
9	2	1 (1.6)	1 (2.8)
8	3	3 (4.7)	0 (0.0)
7	3	3 (4.7)	0 (0.0)
6	2	2 (3.1)	0 (0.0)
5	4	3 (4.7)	1 (2.8)
4	11	8 (12.5)	3 (8.3)
3	7	5 (7.8)	2 (5.6)
2	11	8 (12.5)	3 (8.3)
1	10	7 (10.9)	3 (8.3)
0	39	17 (26.6)	22 (61.1)

Note: Figures in parenthesis () indicate percentages within each county group.

Question 4. As the consequence of the ADP process, which type of legal form would your country be most likely to support?

As shown in Table 5, 64 percent of all the respondents answered that their countries expect to agree on a new protocol. On the other hand, 20 percent said that their countries would prefer a COP decision, and 12 percent indicated a political declaration. This means that respondents from a number of countries expect them to seek COP decisions or political declarations by 2015, rather than create a new protocol or other legally binding instrument. The Durban Platform clearly states “a protocol, another legal instrument or an agreed outcome with legal force under the UNFCCC,” and it is difficult to see how COP decisions or political declarations could lead to any legal instrument or agreed outcome that had enough legal force to ensure environmental integrity.

The “other” responses included “a mixture of a protocol and several COP decisions.” Integration of a simply structured, basic protocol and a set of

various COP decisions could be one realistic way to address the concerns of countries that favor COP decisions and political declarations rather than rely only on the use of protocols.

A higher percentage of respondents from non-Annex I countries expected a new protocol to be implemented as compared to those of Annex I countries

There was a notable difference between the positions of the European countries and the group including the United States, with the Europeans showing a much stronger preference for a new protocol (Table 6). The Japan and Russia group was more or less in between these two extremes. These results are considered to be a reflection of domestic circumstances in each country, but how to fill the gap between the goals of the ADP and the preferences of domestic politics in each country is a problem that remains to be solved.

Table 5: Type of legal form countries would be most likely to support

	Total	Annex I Countries	Non-Annex I Countries
A. A new protocol	64	39 (60.9)	25 (69.4)
B. A COP decision	20	14 (21.9)	6 (16.7)
C. A political declaration	12	8 (12.5)	4 (11.1)
D. Other (please specify)	4	3 (4.7) A mixture of a protocol and several COP decisions / none / don't know	1 (2.8) A mixture of a protocol and several COP decisions

Note: Figures in parenthesis () indicate percentages within each county group.

Table 6: Type of legal form the Annex I countries would be most likely to support

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. A new protocol	39 (60.9)	26	11	2
B. A COP decision	14 (21.9)	4	6	4
C. A political declaration	8 (12.5)	1	0	7
D. Other	3 (4.7)	1	1	1

Note: Figures in parenthesis () indicate percentages within each county group.

Question 5. Assuming that the response you chose for Question 4 was actually implemented, what should happen to the Kyoto Protocol?

The aggregated responses shown in Table 7 indicate that half of all the respondents expected the Kyoto Protocol to be terminated and merged into the new institution. A quarter of the respondents expected that the Kyoto Protocol would maintain its current role. The remaining quarter foresaw the Kyoto Protocol as still existing but without any tangible force because its major components, such as commitments and mechanisms, would likely be shifted to the new institution. If the Kyoto Protocol were to continue to exist after 2020 and continue to play its role as the gatekeeper of emission reduction targets for the Annex I countries, what would be the major role of the new institution? And if the new institution were to be merged with the Kyoto Protocol, what would be the necessary conditions? Further investigation is required to answer these questions.

A large difference was observed in the responses from those in the Annex I and non-Annex I countries. Two-thirds of respondents from Annex I countries expected that the Kyoto Protocol would be integrated into the new institution, whereas the respondents from non-Annex I countries were much

more eager to see continuation of the Kyoto Protocol. There seemed to be less support in non-Annex I countries for integration of the Kyoto Protocol and the new institution.

Respondents from the European countries and Japan and Russia—countries that are parties to the Kyoto Protocol—expect the Kyoto Protocol to be integrated into the new institution (Table 8). Meanwhile, respondents from the United States and Canada, which are not parties to the Kyoto Protocol, seemed to be less concerned about the future of the Kyoto Protocol, expecting that it would continue to exist independent of the outcome of the ADP process. This response might also have been related to the response to the previous question, because respondents from these countries were more likely to expect either COP decisions or political declarations rather than a new protocol. From where these countries stand, continuation of the status quo (maintenance of UNFCCC and the Kyoto Protocol as the only multilateral treaties, and introduction of any additional progress via non-legal instruments) would not affect their national circumstances beyond 2015.

Table 7: Future of the Kyoto Protocol after the ADP outcome is achieved

	Total	Annex I Countries	Non-Annex I Countries
A. The Kyoto Protocol would continue to coexist with the new institution.	25	11 (17.2)	14 (38.9)
B. The Kyoto Protocol would be terminated and converged into the new institution.	50	41 (64.1)	9 (25.0)
C. The Kyoto Protocol would remain, but most of its substantial commitments and mechanisms are likely to be shifted to the new institution.	23	10 (15.6)	13 (36.1)
D. Other (please specify)	2	2 (3.1) (ignored/ don't know)	0 (0.0)

Note: Figures in parenthesis () indicate percentages within each country group.

Table 8: Future of the Kyoto Protocol after the ADP outcome is achieved for the three groups of Annex I countries

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. The Kyoto Protocol would continue to coexist with the new institution.	11 (17.2)	3	2	6
B. The Kyoto Protocol would be terminated and converged into the new institution.	41 (64.1)	22	12	7
C. The Kyoto Protocol would remain, but most of its substantial commitments and mechanisms are likely to be shifted to the new institution.	10 (15.6)	6	4	0
D. Other (please specify)	2 (3.1)	1	0	1

Note: Figures in parenthesis () indicate percentages within each county group.

Question 6. In the new institution, which option will your country most likely favor? “Commitment” here means a commitment that would bind your own country.

Respondents in both Annex I and non-Annex I countries preferred inclusion of legally binding emission reduction or limitation targets in the new institution (Table 9). Some of the respondents from non-Annex I countries might have mistaken the question to be asking for emission reduction targets only for industrialized countries, but apart from such a misunderstanding, it appears that some non-Annex I countries are ready to commit to legally binding emission limitation targets, but only if the developed countries also commit to emission reduction targets that are more ambitious than those of the developing countries.

Respondents from European countries clearly seemed to indicate their countries would be ready to include legally binding emission reduction targets in the new institution (Table 10). This is in line with

the EU’s present position on climate change policy, which not only sets emission reduction targets for the year 2020, but also has started to discuss emission targets for the year 2030. Both the legally binding numerical target and non-binding voluntary numerical goal options received a similar level of support in the Japan and Russia group. Debates are ongoing in Japan concerning the level of emission reduction targets for the years 2020 and 2030, but there is less debate on the legal nature of the targets. A similar situation is seen in Russia, where some have found merit in maintaining a Kyoto-type institution including joint implementation. There was a clear preference for non-binding voluntary numerical goals in the group of other Annex I countries.

Table 9: Preferences for commitments on emission targets

	Total	Annex I Countries	Non-Annex I Countries
A. An institution with legally binding numerical emissions limitation targets (e.g., Commitments in the Kyoto Protocol)	60	40 (62.5)	20 (55.6)
B. An institution with non-binding voluntary numerical goals	35	21 (32.8)	14 (38.9)
C. An institution without any reference to national emissions targets	3	3 (4.7)	0 (0.0)
D. Other (please specify)	2	0 (0.0)	2 (5.6) (Mixture of A and B, The nature of targets would likely be based on some revised form of CBDR. Everybody will not face the same legally binding goals)

Note: Figures in parenthesis () indicate percentages within each country group.

Table 10: Preferences for commitments on emission targets for the three groups of Annex I countries

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. An institution with legally binding numerical emissions limitation targets (e.g., Commitments in the Kyoto Protocol)	40 (62.5)	29	8	3
B. An institution with non-binding voluntary numerical goals	21 (32.8)	2	10	9
C. An institution without any reference to national emissions targets	3 (4.7)	1	0	2
D. Other (please specify)	0 (0.0)	0	0	0

Note: Figures in parenthesis () indicate percentages within each country group.

Question 7. Which option concerning “commitments on mitigation actions, policies, and measures” will your country most likely favor? “Commitment” here means a commitment that would bind your own country.

On the whole, policies for both legally binding implementation of mitigation actions and voluntary implementation of mitigation actions gained about the same level of support (Table 11), but there were differences between the Annex I and non-Annex I countries. Many respondents from Annex I countries preferred voluntary mitigation actions that would be internationally assessed,

whereas those from non-Annex I countries preferred legally binding implementation of mitigation actions. In the “other” category, one respondent suggested “a slight variation of Option A where not all countries would face the same stringency.” This option could be a way to reflect a differentiation of commitments in the new institution.

Table 11: Preferences for commitments on mitigation actions, policies, and measures

	Total	Annex I Countries	Non-Annex I Countries
A. An institution with legally binding implementation of mitigation actions	45	25 (39.1)	20 (55.6)
B. An institution with non-binding voluntary implementation of mitigation actions, which will be internationally assessed	44	32 (50.0)	12 (33.3)
C. An institution without any reference to national emission mitigation actions, policies, and measures	7	6 (9.4)	1 (2.8)
D. Other (please specify)	4	1 (1.6) (unclear what the degree of obligations will be)	3 (8.3) (An institution with non-binding voluntary implementation of mitigation actions which will be reported in biannual GHG inventory reporting / mixture of A and B / A slight variation of Option A where not all countries face the same stringency)

Note: Figures in parenthesis () indicate percentages within each county group.

Among the Annex I countries, the European group showed a relatively stronger preference for legally binding mitigation actions than both of the other groups (Table 12). Legally binding implementation of mitigation actions could mean coordination of policies and measures, but further research is necessary to identify exactly what type of actions will need to be coordinated. Carbon taxes, border tax adjustments, and standardization of energy/carbon intensities are examples of policy

instruments that would become more effective if they were coordinated across countries. It would be worthwhile for researchers to make suggestions on specific policies and measures that should be coordinated at global level.

In the other two groups, institutions with non-binding voluntary implementation of mitigation actions that will be internationally assessed were preferred.

Table 12: Preferences for commitments on mitigation actions, policies, and measures for the three groups of Annex I countries

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. An institution with legally binding implementation of mitigation actions	25 (39.1)	16	6	3
B. An institution with non-binding voluntary implementation of mitigation actions, which will be internationally assessed	32 (50.0)	12	12	8
C. An institution without any reference to national emission mitigation actions, policies, and measures	6 (9.4)	3	0	3
D. Other (please specify)	1 (1.6)	1	0	0

Note: Figures in parenthesis () indicate percentages within each country group.

Question 8. Which option on the use of carbon market mechanisms will your country most likely favor?

A similar trend was observed in both the Annex I and non-Annex I groups on the use of carbon market mechanisms (Table 13). In both groups, there was nearly equal support for the first two options, utilization of the cap-and-trade mechanism at the international level (option A) and linkages of domestic emissions trading schemes, along with some offsets and crediting (option B), although there was somewhat more support for the first option in the non-Annex I group. There was little support for the option in which the carbon

market mechanism is not considered in the new institution. This means that most of the respondents think their countries would welcome the use of a carbon market in one form or another in the new agreement. Therefore, debate on this subject should not be on whether or not to include carbon markets, but on how to include carbon markets in the ADP outcome. The structure of the carbon market will certainly affect other parts of the institution, for example, the legally binding nature of emission targets and mitigation actions.

Table 13: Preferences for the use of carbon market mechanisms

	Total	Annex I Countries	Non-Annex I Countries
A. An institution utilizing the “cap and trade” mechanism at the international level, with full use of other crediting mechanisms	50	29 (45.3)	21 (58.3)
B. An institution that allows linkages of domestic emissions trading schemes, with some offsets and crediting	43	29 (45.3)	14 (38.9)
C. An institution that does not consider carbon market mechanisms	4	3 (4.7)	1 (2.8)
D. Other (please specify)	3	3 (4.7) (A is preferred, but since the USA is not coming in soon at the federal level, it is de facto B / Prefer option A an B with stringent rule to secure environmental integrity)	0 (0.0)

Note: Figures in parenthesis () indicate percentages within each county group.

Whereas similar trends were observed for both the Annex I and non-Annex I groups, differences were observed among the three groups of Annex I countries (Table 14). For the European group, the utilization of the cap-and-trade option (A) was favored by a two-to-one margin over the linkages of domestic emissions trading schemes option (B). In the Japan and Russia group, option B was chosen by most respondents. The two options received almost equal support in the third group.

This result can be explained by the current national and regional circumstances for each of the groups. In Europe, emissions trading schemes have been accepted as regional climate policy, so it would be efficient for the European countries to continue utilizing an already-established mechanism. Respondents in the Japan and Russia group demonstrated two distinctive views on setting

legally binding national emission reduction targets (Table 10), and utilization of carbon markets is strongly linked with the nature of emission targets. It is interesting that, in the Japan and Russia group, fewer respondents selected the use of the cap-and-trade mechanism (option A, Table 14) than legally binding numerical emissions limitation targets (option A, Table 10). This means that some respondents are considering legally binding targets without the establishment of international carbon markets, an option that may be worthwhile considering. In countries in the third group, ongoing debates about emissions trading have continued for many years. These types of activities at the national and local levels should be recognized as a part of climate change mitigation measures in the new institution under the UNFCCC.

Table 14: Preferences for the use of carbon market mechanisms in the three groups of Annex I countries

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. An institution utilizing the “cap and trade” mechanism at the international level, with full use of other crediting mechanisms	29 (45.3)	21	3	5
B. An institution that allows linkages of domestic emissions trading schemes, with some offsets and crediting	29 (45.3)	10	13	6
C. An institution that does not consider carbon market mechanisms	3 (4.7)	0	1	2
D. Other (please specify)	3 (4.7)	1	1	1

Note: Figures in parenthesis () indicate percentages within each county group.

Question 9. Which option on financial mechanisms will your country most likely favor?

In both the Annex I and non-Annex I groups, there was strong support for an institution with a financial mechanism that is financed by diverse sources, including private investments (Table 15). The scope of financing, which includes public and private funding, was agreed upon at the Copenhagen Accords in 2009, so there seems to be little to debate on this point. However, a quarter of the respondents from non-Annex I countries indicated that the main funding sources should be limited to public resources from developed countries.

The financial mechanism could be independent of the new institution. The Green Climate Fund has been established under the UNFCCC, and its institutional arrangement is being

discussed outside of the ADP process. Nevertheless, most respondents indicated that financial mechanisms should be a part of the new institution.

There was little divergence among the three groups of Annex I countries on this point (Table 16). Most of the respondents favored an institution with a financial mechanism that is financed by diverse sources, including private investments.

Future negotiations on financial mechanisms could focus on the use of financial resources. For example, limited public finance may be prioritized for the most vulnerable countries and the least developed countries.

Table 15: Preferences on financial mechanisms

	Total	Annex I Countries	Non-Annex I Countries
A. An institution with a financial mechanism that is financed only by public funding from developed countries	13	4 (6.3)	9 (25.0)
B. An institution with a financial mechanism that is financed by various resources including private investments	80	54 (84.4)	26 (72.2)
C. An institution that does not refer to financial mechanisms	4	4 (6.3)	0 (0.0)
D. Other (specify)	3	2 (3.1) (Option A and B, mainly by public fund but keep doors open for private investments, A, but who does not mind to have private funds too - these days?)	1 (2.8) (Likely an option between A and B where the onus is on public finance from developed countries but with room for private investments)

Note: Figures in parenthesis () indicate percentages within each country group.

Table 16: Preferences on financial mechanisms for the three groups of Annex I countries

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. An institution with a financial mechanism that is financed only by public funding from developed countries	4 (6.3)	2	1	1
B. An institution with a financial mechanism that is financed by various resources including private investments	54 (84.4)	28	15	11
C. An institution that does not refer to financial mechanisms	4 (6.3)	1	1	1
D. Other (specify)	2 (3.1)	1	1	0

Note: Figures in parenthesis () indicate percentages within each county group.

Question 10. Which option on ways to differentiate countries according to “common but differentiated responsibility (CBDR)” criteria will your country most likely favor?

The views of respondents from the Annex I and non-Annex I groups were divided on this question (Table 17). In the Annex I group, creation of a new way of grouping countries, for example, by criteria such as GDP per capita, was the most preferred choice, followed by the development of a way to reflect differences among countries by other

means, such as by differentiating non-compliance consequences. There was little support for maintaining the current grouping.

Non-Annex I countries evenly preferred maintenance of the current grouping and creation of a new way of grouping countries, but there was little support for other ways of differentiation.

Table 17: Preferences on ways to reflect CBDR criteria

	Total	Annex I Countries	Non-Annex I Countries
A. An institution that maintains the current grouping, namely Annex I and non-Annex I countries	18	2 (3.1)	16 (44.4)
B. An institution that seeks to create a new way of grouping countries, for example, by criteria such as GDP per capita	51	35 (54.7)	16 (44.4)
C. An institution that does not differentiate countries by creating groups of countries for commitments to emissions mitigation, but reflects differences among countries by other means, such as by differentiating non-compliance consequences	25	22 (34.4)	3 (8.3)
D. Other (please specify)	6	5 (7.8) (Do not know the official position; A is nonsense by now, B is the UN assessment scale and may be a focal point / AI and NAI will be maintained under the convention and build upon new approach like option C / Instead of country groupings, there shall be some criteria and tiered approach. The countries will go-up or down and the circumstances will change in accordance with the changing conditions / does not differentiate countries by creating groups for commitments but requires participation by all parties / a combination of B and C; main focus on emissions per capita and capacity to pay (GDP adjusted))	1 (2.8) (An institution that seeks to create a new way of grouping countries but baseline criteria of grouping by constructive debate in complex situations - country geography, technological trajectories, vulnerability to climate impacts, equity, domestic environmental protection acts & more not GDP alone)

Note: Figures in parenthesis () indicate percentages within each country group.

In total, creation of a new way of grouping countries attracted the most support. Although there have been many proposed formulas to differentiate countries according to CBDR criteria, no one method has been singled out as the agreed-upon methodology. Meanwhile, countries are making rapid progress in terms of economic development, and formulas that were developed 10 or 20 years ago might be interpreted differently today.

The results were similar among the groups of Annex I countries (Table 18). Respondents from

European countries chose option B (creation of a new way of grouping countries) more often, whereas the group including the United States had relatively more support for option C (development of a way to reflect differences among countries by other means). More concrete ideas for option C are necessary to gain support from more countries. As was indicated in Question 7, differentiation in the implementation of mitigation measures could be a starting point in discussions on CBDR.

Table 18: Preferences on ways to reflect CBDR criteria for the three groups of Annex I countries

	Annex I Countries Total	Europe	Japan & Russia	U.S., Canada, Australia, NZ
A. An institution that maintains the current grouping, namely Annex I and non-Annex I countries	2 (3.1)	1	0	1
B. An institution that seeks to create a new way of grouping countries, for example, by criteria such as GDP per capita	35 (54.7)	20	10	5
C. An institution that does not differentiate countries by creating groups of countries for commitments to emissions mitigation, but reflects differences among countries by other means, such as by differentiating non-compliance consequences	22 (34.4)	8	7	7
D. Other (please specify)	5 (7.8)	3	1	1

Note: Figures in parenthesis () indicate percentages within each country group.

Question 11. The following shows eight sets of random combinations of elements that could be considered as building blocks of the future institution. Please put all the eight sets in the order of your country's preference, in your opinion.

This question was intended to determine the relative level of importance among emission targets, mitigation measures, and finance. In multilateral negotiations, the final agreement is often reached by dealing with various agendas as a package, that is, by negotiating between different agendas and making compromises in areas of conflict. It may not be difficult to assert countries' positions, but it requires more wisdom to see the relative importance of certain agendas over others.

A conjoint analysis was used to investigate the relative importance of the agendas for the respondents' countries. Conjoint analysis is a popular statistical method particularly in consumer research to examine people's preferences for products. Eight cards were created, and as shown in Figure 2, each of the eight cards showed different packages of three elements: emission targets, mitigation actions, and finance. The respondents were asked to put those eight cards in the order they believed their countries would likely to support.

Figure 2: Cards used for conjoint analysis

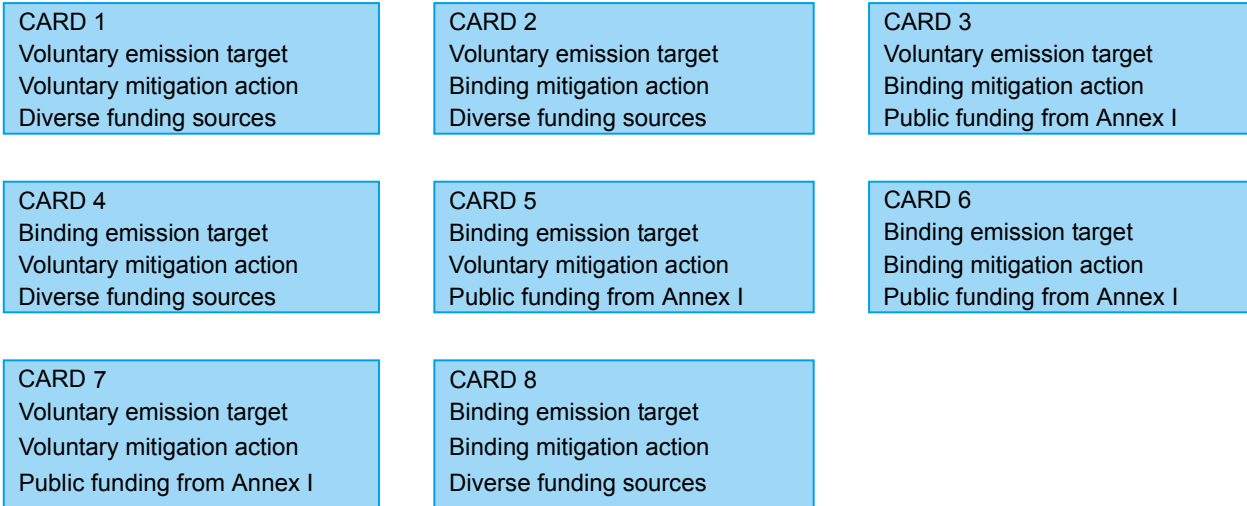
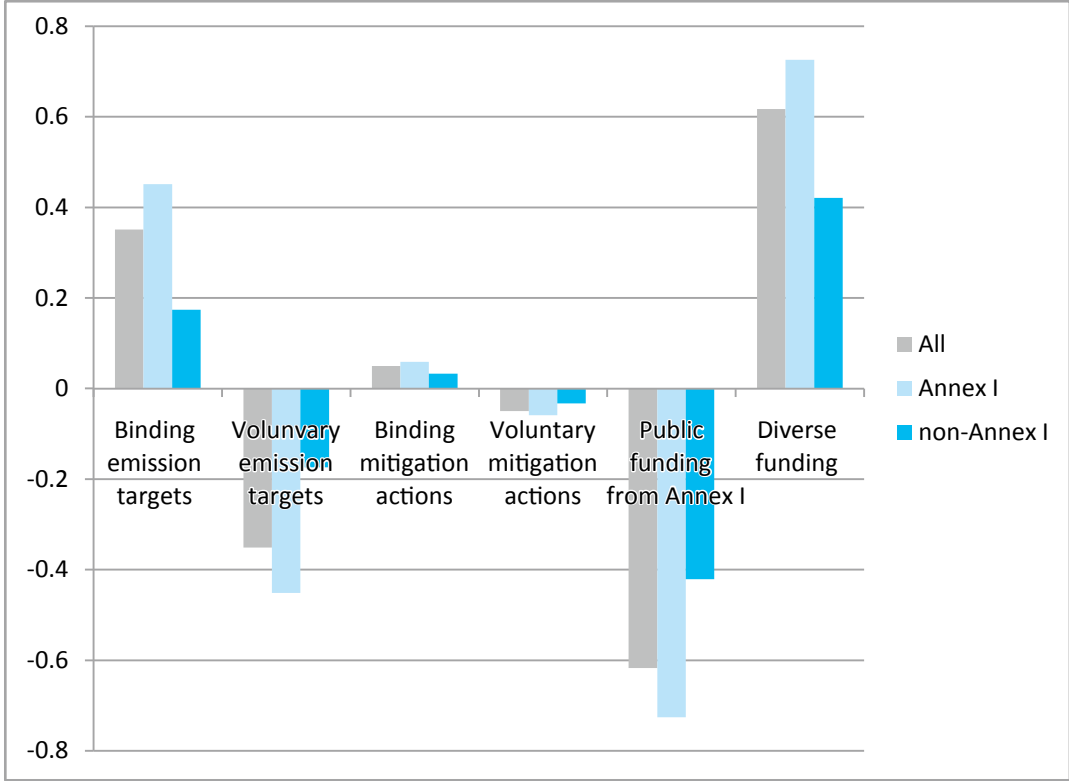


Figure 3 shows the utilities, that is, how much each choice is preferred compared to other choices, for six types of choices: emission targets (binding/voluntary), mitigation actions (binding/voluntary), and finance (public only/diverse). As the figure shows, legally binding emission targets are preferred to voluntary targets, legally binding mitigation actions are preferred to voluntary mitigation actions, and diverse funding sources are preferred to funding from Annex I countries only. These results are consistent with the responses to Questions 6, 7, and 9. In addition, the figure also indicates the relative level of utility among the three elements. Countries acquire the highest level of utility when the financial mechanism includes a wide variety of funding sources, including private investments, followed by legally binding emission targets and mitigation actions. This order was the same for the entire group as well as for the Annex I and non-Annex I groups. In relative terms, utilities for Annex I respondents are larger than those of non-Annex I respondents. This may be due to the

diversity of views within the non-Annex I group, which were generally more diverse than those of the Annex I group.

It is rather surprising to see roughly similar results for the two groups. If these results are correct, there should be no conflict between the two groups on the issues of whether or not to have legally binding targets and mitigation actions. Rather, the conflicts may exist within each group or within each individual country. Another way of interpreting this result is that there is no conflict between Annex I and non-Annex I countries concerning these fundamental natures of building blocks of the new institution, but conflicts do exist within each building block. For example, countries could agree that the financial mechanism should accept funding from diverse sources, but they might not be able to agree on the absolute amount of financial resources or on how the funding should be allocated among numerous mitigation and adaptation activities in developing countries.

Figure 3: Partial utility of choices on emission targets, mitigation actions and financial mechanisms



Question 12. Other elements could be included in the new institution. How much will your country favor (or not favor) the institution if the following elements were negotiated and reflected in the new institution?

Question 12 asked the respondents to select one of five options: “much more favorable” (+2), “slightly more favorable” (+1), “no change in preference” (0), “slightly less favorable” (-1), and “much less favorable” (-2). The elements were inclusion of long-term goals (e.g., temperature rise below 2 °C); adaptation measures; Reducing Emissions from Deforestation and Forest Degradation in developing countries (REDD+); MRV processes; technology transfer; non-compliance procedures; and loss & damage. Figure 4 shows the average values for the total group and for the Annex I and non-Annex I groups for each element.

With the exception of loss & damage in the Annex I group, the new institution would be more favorable to all of the country groups when these elements were included in the institution. The levels of favorability varied among the groups for each element. In general, respondents from non-Annex I countries more strongly favored including more elements in the new institution, whereas the Annex I group was more selective. Inclusion of the MRV process was the only element that was more favorable to the Annex I respondents. The Annex I and non-Annex I groups had similar preferences for

inclusion of long-term goals, the MRV process and non-compliance procedures. It should therefore be easier to reach consensus about the inclusion of these elements as compared with other elements. For example, the non-Annex I group strongly supports the inclusion of elements such as adaptation measures and loss & damage, whereas the Annex I group has a less favorable response toward the inclusion of these elements in the new institution.

Some divergence of views was observed among the three Annex I groups (Figure 5). The European group assessed that it would be more favorable to include long-term goals and non-compliance procedures in the new institution, whereas the other two groups were less supportive. Both the European and Japan and Russia groups showed a strong preference for including the MRV process, whereas the third group had a lower level of support.

The Annex I countries shared similar positions for the inclusion of REDD+, technology transfer, and loss & damage. These results suggest the feasibility of coordination among Annex I countries, particularly for these elements.

Figure 4: Levels of preference for the inclusion of various elements in the new institution

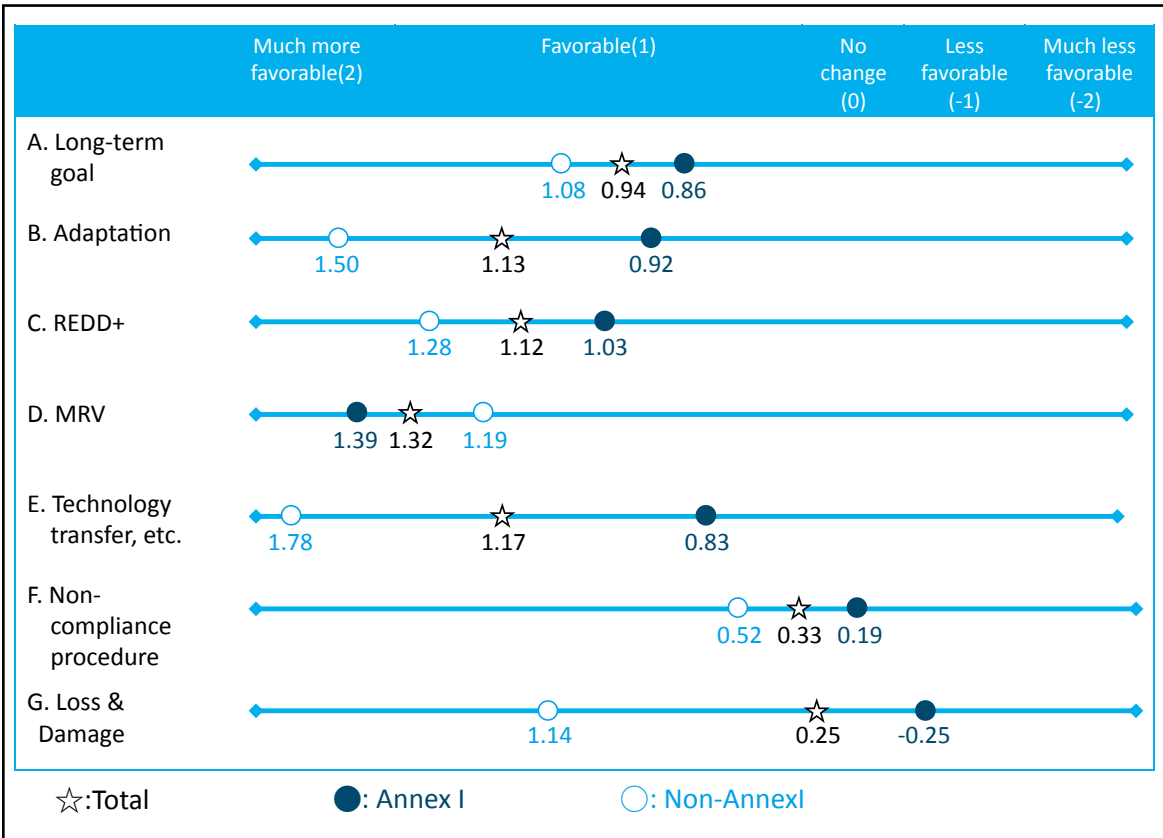
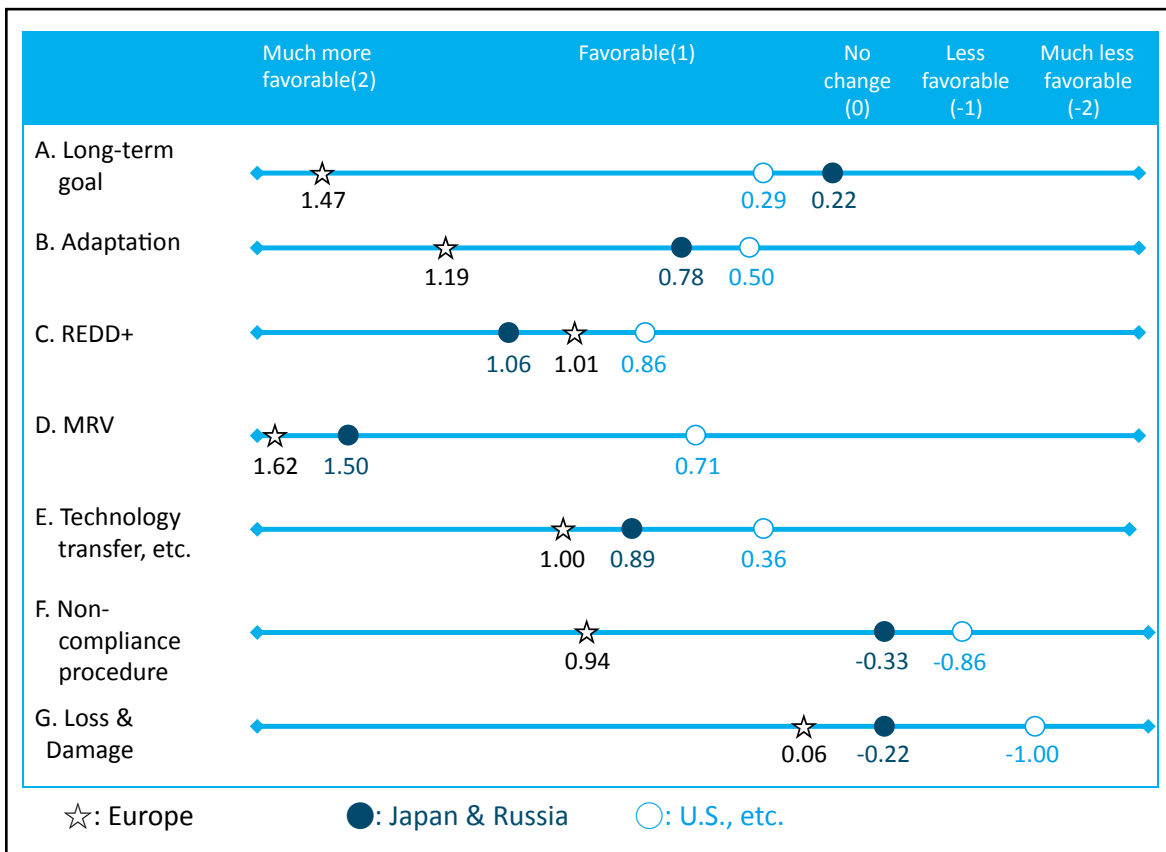


Figure 5: Levels of preferences for the inclusion of various elements in the new institution for the three groups of Annex I countries



Question 13. Please specify any other elements that could be considered for inclusion in the new institution.

As shown in Box 1, many respondents commented on other elements that could be included in the new institution, and many of the comments were made by non-Annex I respondents. These comments included the topics of finance, foreign direct investment, new carbon market mechanisms, education, compensation mechanisms, international coordination, rights of indigenous people, coordination with domestic policies, carbon tax, open reporting systems, early warning systems, biodiversity and the value of forests, environmental

safeguards, intellectual property rights, national action plans, and equal entitlement of emissions.

Although various elements were proposed, there were few, if any, elements that were proposed by more than a few respondents. These proposed elements are therefore probably not stand-alone elements and possibly could be merged with the elements listed in Question 12 as more concrete options are developed from the core building blocks of the new institution.

Box 1: Other elements that could be considered for inclusion in the new institution

Responses from Annex I countries' respondents

- * Central Carbon Bank that acts to increase or decrease supply of carbon allowances with the aim of maintaining a carbon price sufficient to promote reductions but not so high as to slow economic activity.
- * New Market Mechanism.
- * Degree of ambition (excl. Q12 option 1). Most questions refer to form, but the form is not independent of the contents (endogeneity between both). Without "loss and damage" provisions, more precisely, a compensation mechanism, the future architecture will be incomplete.
- * Use of market mechanisms, and rules to ensure their environmental integrity and international harmonization (at least to minimum level).

Responses from non-Annex I countries' respondents

- * Indigenous would play vital role for this climate change issues. They should be included in decision making level.
- * Harmonization with sub-national policies.
- * Carbon tax should replace income tax.
- * Open Reporting of all emissions and emission sources.
- * Early warning program.
- * Valuation of forest goods and services + biological diversity.
- * Risk and benefits on climate change market system and scale of commercialization are also need to be transparent. Environmental safeguards and FDI are two critical issues that need to be strengthened.
- * The new institution deserves to consider the baseline situation of countries, agree upon the common criteria for grouping, set up an overseeing agency for domestic policies (from non-existent to stringent environmental protection acts in various countries), technological trajectories, geographical situations, vulnerability to climate change impacts and more....
- * 1. Modifications in the IPR regime to take care of free technology flow. 2. Adaptation fund share to be increased & firm commitments on this. 3. Recognition and action on historical responsibility & accountability.
- * naps (= *national action plans (by the authors)*).
- * Finance and its governance mechanism.
- * The answers related to how "legally binding" commitments are quantified.
- * 1. For instance India always suggested "per capita" emissions allocation (including historical emissions) as an acceptable "legally binding commitment". 2. In the legal context of the UNFCCC text, CBDR is an accepted principle. The convention also mentions supporting "full incremental cost" of climate actions to the developing countries; i.e. the responsibility of the developed countries to finance and also provide technology support/assistance to developing countries. My answers to the questionnaire should be seen in the light of the above remarks.

Question 14. Assuming that the institution your country is most likely to favor (your responses to Questions 4 and 5) is agreed upon under the Durban Platform, what elements need to be tasked to organizations and institutions outside the UNFCCC?

Overall, national emission targets, long-term targets, and MRV procedures were the elements supported for inclusion in the new institution by respondents from many countries (Table 19). Emission targets (again); mitigation actions, policies, and measures; and adaptation strategies had the highest percentage values (about 20 percent) in the “left for each country to decide” category.

Preferences of the Annex I and non-Annex I groups were similar for some elements but quite different for others. Similar trends in the preferences were observed for national emission targets;

emission mitigation actions, policies and measures; establishment and use of carbon market mechanisms; and use of MRV procedures. Differences were observed for financial cooperation and support; technology development and diffusion; adaptation strategies, and REDD+. The non-Annex I group favored inclusion of these elements in the new institution, whereas the Annex I group preferred discussing these elements under the UNFCCC but not necessarily as part of the new institution.

Table 19: Preferences for elements that need to be handled directly by the new institution and those that could be tasked out to other institutions

Element	Included in the new institution under the Durban Platform	Not included in the new institution but included in the UNFCCC process	Dealt with by institutions outside the UNFCCC	Left for each country to decide
A. National emission targets	66	15	3	16
Annex I	45 (70.3)	8 (12.5)	1 (1.6)	10 (15.6)
Non Annex I	21 (58.3)	7 (19.4)	2 (5.6)	6 (16.7)
B. Emission mitigation actions, policies & measures	57	14	5	24
Annex I	38 (59.4)	10 (15.6)	2 (3.1)	14 (21.9)
Non Annex I	19 (52.8)	4 (11.1)	3 (8.3)	10 (27.8)
C. Establishment and use of carbon market mechanisms	51	25	14	10
Annex I	31 (48.4)	17 (26.6)	10 (15.6)	6 (9.4)
Non Annex I	20 (55.6)	8 (22.2)	4 (11.1)	4 (11.1)
D. Financial cooperation and support	54	29	12	5
Annex I	31 (48.4)	23 (35.9)	8 (12.5)	2 (3.1)
Non Annex I	23 (63.9)	6 (16.7)	4 (11.1)	3 (8.3)
E. Long-term targets	66	24	2	8
Annex I	39 (60.9)	19 (29.7)	1 (1.6)	5 (7.8)
Non Annex I	27 (75.0)	5 (13.9)	1 (2.8)	3 (8.3)
F. Adaptation strategies	42	35	5	18
Annex I	22 (34.3)	29 (45.3)	3 (4.7)	10 (15.6)
Non Annex I	20 (55.6)	6 (16.7)	2 (5.6)	8 (22.2)
G. REDD+	52	33	8	7
Annex I	31 (48.4)	26 (40.6)	5 (7.8)	2 (3.1)
Non Annex I	21 (58.3)	7 (19.4)	3 (8.3)	5 (13.9)
H. MRV procedure	63	25	5	7
Annex I	42 (65.6)	18 (28.1)	2 (3.1)	2 (3.1)
Non Annex I	21 (58.3)	7 (19.4)	3 (8.3)	5 (13.9)
I. Technology development & diffusion	46	34	13	7
Annex I	20 (31.2)	28 (43.8)	11 (17.2)	5 (7.8)
Non Annex I	26 (72.2)	6 (16.7)	2 (5.6)	2 (5.6)

Note: Figures in parenthesis () indicate percentages within each country group.

Even among the Annex I countries, there were varying points of view on many elements (Table 20). Respondents from the European and Japan and Russia groups favored including emission reduction targets in the new institution, but a relatively large number of respondents from the third group preferred for this topic to be left for each country to decide for itself. On a related issue—the use of the carbon market—the European and Japan and Russia groups similarly favored including it the new institution, whereas relatively more respondents from the third group preferred leaving it for each country to decide for itself. In terms of finance, the European and Japan and Russia groups again

favored inclusion in the new institution or at least inclusion somewhere in the UNFCCC process, but the third group preferred to task it to institutions outside the UNFCCC forum.

Many respondents from Europe and Japan and Russia again supported the inclusion of implementation of mitigation actions in the new institution, whereas those in the third group but preferred for this to be left for each country to decide. The inclusion of long-term goals in the new institution was favored by the European respondents, but relatively less so by respondents from the other Annex I countries.

Table 20: Preferences for elements that need to be handled directly by the new institution and those that could be tasked out to other institutions for the three groups of Annex I countries

Elements	Included in the new institution under the Durban Platform	Not included in the new institution but included in the UNFCCC process	Dealt with by institutions outside the UNFCCC	Left for each country to decide
A. National emission targets				
Annex I	45 (70.3)	8 (12.5)	1 (1.6)	10 (15.6)
Europe	29	1	0	2
Japan & Russia	13	4	0	1
U.S., etc.	3	3	1	7
B. Emission mitigation actions, policies, and measures				
Annex I	38 (59.4)	10 (15.6)	2 (3.1)	14 (21.9)
Europe	19	3	1	9
Japan & Russia	14	4	0	0
U.S., etc.	5	3	1	5
C. Establishment and use of carbon market mechanisms				
Annex I	31 (48.4)	17 (26.6)	10 (15.6)	6 (9.4)
Europe	18	8	5	1
Japan & Russia	10	7	1	0
U.S., etc.	3	2	4	5
D. Financial cooperation and support				
Annex I	31 (48.4)	23 (35.9)	8 (12.5)	2 (3.1)
Europe	16	14	2	0
Japan & Russia	8	8	2	0
U.S., etc.	7	1	4	2
E. Long-term targets				
Annex I	39 (60.9)	19 (29.7)	1 (1.6)	5 (7.8)
Europe	24	7	1	0
Japan & Russia	9	8	0	1
U.S., etc.	6	4	0	4
F. Adaptation strategies				
Annex I	22 (34.3)	29 (45.3)	3 (4.7)	10 (15.6)
Europe	11	15	1	5
Japan & Russia	8	8	0	2
U.S., etc.	3	6	2	3
G. REDD+				
Annex I	31 (48.4)	26 (40.6)	5 (7.8)	2 (3.1)
Europe	14	16	1	1
Japan & Russia	12	6	0	0
U.S., etc.	5	4	4	1
H. MRV procedure				
Annex I	42 (65.6)	18 (28.1)	2 (3.1)	2 (3.1)
Europe	23	8	0	1
Japan & Russia	12	5	1	0
U.S., etc.	7	5	1	1
I. Technology development and diffusion				
Annex I	20 (31.2)	28 (43.8)	11 (17.2)	5 (7.8)
Europe	10	15	7	0
Japan & Russia	5	8	3	2
U.S., etc.	5	5	1	3

Note: Figures in parenthesis () indicate percentages within each country group

Question 15. Please mention any other elements that could be tasked to other international cooperative organizations outside the UNFCCC that are currently dealt with in the UNFCCC arena.

Box 2 shows suggestions from the respondents concerning elements that could be tasked to agents outside the UNFCCC regime. These include use of the sectoral approach (e.g., international bunker fuels), management of GHGs other than CO₂ (e.g., fluorinated gases), intellectual property rights (IPRs), renewable energy related cooperation, loss & damage, support for the least developed countries, and emission targets at the

regional level. From our observation in the negotiation meetings, use of sectoral approaches, management of non-CO₂ GHGs, and technology transfer (including matters related to IPR and renewable energy) could be candidates, among these various elements, as possible elements that could be handed over to international cooperative institutions outside the UNFCCC regime.

Box 2: Examples of Responses to Question 15

Respondents from Annex I countries

- * Sectoral approaches (ICAO, IMO), other gases (CCAC, Montreal Protocol), and IPRs related issues
- * Cooperation on renewable energy.
- * Some sort of mitigation efforts such as International Banker, HFCs - General issues relating technology transfer (e.g. IPR).
- * Finance.
- * The United States is unlikely to provide major financial support to the UNFCCC for adaptation or mitigation. The U.S. will prefer to transfer responsibility for financing mitigation and adaptation to an International Green Bond Board that will oversee the financial and environmental terms of mitigation and adaptation projects carried out by the private sector in developing countries, which nevertheless will be liable for the financial and environmental performance of the Green Bonds and their financial derivatives.
- * Loss & damage.

Respondents from non-Annex I countries

- * Developing country and effected high vulnerable countries issues has to be taken into consideration.
- * Aids for emission reduction.
- * Drought.
- * Community and area specific targets are needed to be strengthened.
- * Carbon market.

Question 16. Please comment on your concerns about the architecture of the likely outcome of current international negotiations under the Durban Platform.

Although there were comments that were more or less related to the process rather than the architecture of the likely outcome, some of major responses included comments and concerns about the architecture of the new institution (Box 3).

Some comments noted that the architecture of the new institution is likely to include national voluntary emission reduction/limitation targets in addition to a series of COP decisions if we are to achieve a realistic framework. Another response worried that the agreement will work toward a “least

common denominator” if emission targets were set voluntarily, and another expressed concern that carbon markets would not work if the targets became non-binding and voluntary. In addition, if carbon markets were not utilized, the cost of reaching emission reduction/limitation targets would become more expensive.

To supplement the minimum level of agreement by 2015, some of the comments anticipated that various cooperative schemes would flourish parallel to the UNFCCC process.

Box 3: Examples of Responses to Question 16

Respondents from Annex I countries

- * Even if my country could look for internationally binding targets, the most likely outcome is nationally binding targets and COP decision.
- * Unlikely to lead to anything sincere in terms of preventing long-term damage
- * Major concern relates to the accounting system for any type of new commitments and ensuring comparability of efforts toward commitments.
- * Current practice after 2013 is based on bottom-up approach. The outcome in 2015 should be strongly guided by top-down approach and be combined with bottom-up approach, in line with 2°C goal. I have concerns if such an approach is possible in 2015.
- * My greatest concern goes to all those who don't even care to cast any doubt about the ability of the game we currently play in our way to achieve our goals., to stop it before 2°C for example.
- * US is likely to continue its preference for national determination of its targets, emission controls, adaptation and mitigation procedures along with bilateral rather than international cooperation. Traditionally the US has resisted attempts to form new or independent financial mechanisms and this is unlikely to change.
- * The voluntary emissions reduction targets favored by the United States and most developed countries under the Durban Platform make it impossible for their preferred market mechanism, carbon emissions trading, “fully fungible” in the derivatives market to work. Even assuming that the derivatives market is eventually regulated and the underlying emissions assets have full environmental integrity, absent mandatory and verifiable reductions, there will be no reliable carbon credit demand, and hence no market incentive to invest to reduce GHGs, rather than pay the ever higher cost of carbon emissions credits.
- * Durban Platform must bring in the means of implementation: finance, capacity building and technology diffusion. As they stand they do not have the coherence we need to optimize ambition.

Respondents from non-Annex I countries

- * Lack of commitment from Annex I countries.
- * It's easy to make butter from milk but hard to get milk out of it. Complexity is so high among the countries, which has seen in current negotiation. It doesn't mean that countries should not bring their one set agenda to address current global perspective and to make future better.
- * 1. It is leaning toward accommodating the diffusion of historical responsibility, thus obliterating the CBDR, 2. Seems accepting country positions - under duress, rather than what needs to be done.
- * The architecture may remain hybrid, i.e. part legal commitments and part voluntary commitments. The developed countries, instead of leading, may relegate themselves to the back seat driving. While the funds would be created but the legal commitment to contribute to the funds, especially by developed countries to begin with, may not materialize. The Durban Platform may deliver the institution which may not be comprehensive; and therefore many bilateral and side arrangements would be needed to supplement it. In this case, the overall architecture would be far from the first best multilateral institution and rules.

Question 17. Please comment on your concerns about the negotiating process under the Durban Platform.

Overall, most comments were pessimistic on the negotiation process and the possible outcome of the process (Box 4). Some constructive proposals suggested a negotiation process that involved political leaders or limiting number of delegations from each country. These comments were based on the common concern that reaching a consensus

among nearly 200 countries would not lead to an environmentally effective outcome within the set negotiating timeframe. There were, however, no comments that suggested better ideas to resolve the procedural issues the UNFCCC negotiation processes currently face.

Box 4: Examples of Responses to Question 17

Respondents from Annex I countries

- * The ADP is inadequate as it foresees the entry into force only after 2020, while all indicators show that ambitious action is required several years before this date. The short term ambition discussions seem to go nowhere at the moment. And in any case, it seems hard to see how such a comprehensive agreement could be agreed on this timeframe without additional political momentum.
- * Is it worth the carbon budget of the negotiators?
- * It's too slow.
- * Inclusiveness, transparency, and party-driven process secure democratic process, but it makes the speedy negotiation more difficult, on the contrary. Keeping good speed in 2013 and 2014 in order to have successful outcome in 2015 is the key.
- * Keep discussion on the agenda and procedures.
- * The negotiating process is utterly wrong. We needed a real powerful individual with a group of top-class staffs visiting key countries constantly, visiting difficult countries more frequently, talking to the top political leadership of each country, talking the way forward, pressing concessions, twisting arms, trying to work out possible outcome and bringing it all to the level of maximum climate integrity. We needed a trusted roving emissary doing solid ground works before the COP takes place.
- * I expect the negotiating process to continue to emulate the process begun in Copenhagen, where the Secretariat, the President of the COP and major emitting Parties agree on COP decisions that are presented as fait accompli, to the Parties not invited into the drafting inner circle. This WTO Green Room like process is "efficient" in the sense that it produces a text to move "forward" but it is woefully inadequate to incorporate both the specificities of dissenting Party views and the reporting from the subsidiary bodies on the reporting of the International Panel on Climate Change and the Global Observatories.
- * Milestones need to be set in order to avoid last minute meltdown. We need more structure to push negotiators.
- * New technology is needed to see motions and reactions straight away so that negotiators can think fast.

Respondents from non-Annex I countries

- * The time is short.
- * No legally binding commitments of GHG reductions, finance, compliance and technology transfer.
- * Disappointing...
- * Focus on adaptation is still weak including financial commitments.
- * Best way to deal this negotiation process in typical country specific agenda and all countries make their contribution their own shift of paradigm by small and effective steps.
- * Not applicable.
- * My major concern is that nothing will come out of it and the convention will fall apart.
- * Need to rewrite the CBDR and Equity Principle.
- * The time is short and there are many unresolved issues. The key issue is that of enhancing the ambition. The first step is to at least agree on 2°C (or 1.5° C) stabilization. The next is to make sure that there is adequate committed finance for various new instruments like Green Climate Fund, Adaptation Fund, LDC (least developed countries) Fund etc. These have to come from public finance (esp. as committed by developed countries at Copenhagen) to begin with and these funds can be supplemented later with funds from other sources. There is a lack of urgency and seriousness on the part of major developed countries. Their leadership is needed, as per Article 3.1 of the UNFCCC. The Durban Platform needs to therefore have the sense of urgency and high ambition.

Conclusions

This questionnaire survey collected responses from 100 individuals around the world. Although the sample size may be too small to statistically analyze international negotiations on climate change, the responses were helpful in gaining a better understanding of the basic architecture of any future climate change institution or framework that is expected to be agreed upon by 2015. Overall, our conclusions are as follows.

Legal form

Clearly, some countries still prefer the use of COP decisions or political declarations over other types of instruments, even though the Durban Platform clearly states “a new process to develop a protocol, another legal instrument or an agreed outcome with legal force under the UNFCCC.” This means that a middle ground solution may be necessary. Basic elements concerning future international cooperation on climate change need to be included in the new institution, but other elements such as detailed operational rules could be dealt with through COP decisions. Political judgments will be needed for contentious matters such as setting and using long-term targets.

Overall, respondents indicated that the Kyoto Protocol will be terminated and merged into the new institution, or perhaps to remain but without any tangible substance. The future of the Kyoto Protocol will depend heavily on the stringency of commitments accepted by the industrialized countries under the new institution because many non-Annex I countries expect the Kyoto Protocol to continue in that it is the only international agreement that has set legally binding emission targets for Annex I countries.

Emission reduction/mitigation targets

There was a clear preference for emission reduction/mitigation targets being dealt with in the new institution. In general, legally binding targets were preferred more often than voluntary ones. Setting legally binding targets, or emission caps, is necessary condition for full utilization of carbon markets. The question did not specify the stringency (or level of ambitiousness) of the targets, so the option of relatively loose emission limitation targets may have been assumed, especially by respondents from developing countries. Acceptance of legally binding targets by one country can be considered as leverage to pressure other countries to follow suit, so developing countries may be able to agree on absolute emission limitation targets for themselves on the condition that the developed countries agree to ambitious legally-binding emission reduction targets.

In the future negotiations, the question will not be whether to set emission targets in the new institution, but how to determine the levels of emission reduction/limitation targets. Emission reduction/limitation targets can be determined by merging two contrasting approaches. The first is a “bottom-up approach” in which all countries will individually set their respective emission reduction/limitation targets, according to their own domestic policy-making processes. This nationally-determined target would be considered as international commitment of that country. The targets set by the bottom-up approach are likely to be loose targets, so that some kind of a review process may be needed to ensure environmental effectiveness. The second is a “top-down approach”. A global emission trajectory would be defined according to the global carbon budget to achieve a certain long-term goal, such as limiting average global temperature increase to below 2 °C, and emissions will be allocated to countries according to

some simple criteria, such as emissions per capita or emissions per GDP. This emission target would not be considered as a national legally binding commitment, but it would be used as an indicator to assess levels of emission mitigation actions introduced at the country level. Any emissions gap between the first and the second approaches could be alleviated through partial allocation of emissions to sectors, such as international bunker fuels.

Implementation of mitigation actions, policies and measures

The survey result showed a clear preference for the new institution to handle implementation of mitigation actions, policies and measures, but there was disagreement on the legally binding nature of those actions and measures. From the responses to this question, in combination with responses to other related questions, “binding mitigation action” does not seem to be understood as some kind of concrete list of policies and measures that are to be implemented on a set timetable. Rather, it seems to be envisioned as a series of strict MRV processes that pressure governments to take necessary actions.

These results indicate that negotiations should aim at constructing a thorough MRV process to examine all countries in terms of their progress on implementation of mitigation actions. A list of targetted measures could be created after and based on the agreement of the new institution, for example, by COP decisions.

Utilization of carbon markets

A cap-and-trade type of scheme at the international level and the linkage of various domestic carbon markets both were perceived as favorable by the respondents. However, because national emission targets that are stringent, ambitious, and legally binding are not likely to be

agreed upon in the new institution, the international cap-and-trade mechanism sought for by the Kyoto Protocol is not likely to appear in the new institution under the Durban Platform.

These survey results imply that international negotiations should aim at a mechanism that links various domestic carbon markets and elaborates on procedures and criteria to accredit various carbon markets and crediting mechanisms in the individual countries. Detailed rules for procedures for these mechanisms could be specified by COP decisions. A single and comprehensive carbon market regime does not need to be established in the new institution. Rather, some of the activities including operational rules of accreditation could be tasked out to other institutions, both inside or outside of the UNFCCC regime.

Financial mechanisms

Many respondents supported a financial mechanism based on the use of diverse financial resources, including private funding and investments. It seemed that the respondents were taking into account current discussions on the Green Climate Fund and assumed it could be the financial mechanism for the new institution. The results of Question 11 indicated that both Annex I and non-Annex I respondents reported the highest levels of utility with diverse funding sources. Therefore, future negotiations on financial mechanisms should aim at reaching consensus on the precise rules for the financial mechanisms, including how the fund should be allocated according to respective financial resources. For instance, limited public finance may be prioritized for the most vulnerable and the least developed countries.

Ways to reflect common but differentiated responsibilities (CBDR)

Most respondents acknowledged that CBDR needs to be reflected in the new institution, but not by the current criteria. Although many respondents were not satisfied with the current Annex I and non-Annex I criteria, few good new ideas were suggested. Even some respondents preferred changes in the ways in which CBDR is reflected in the new institution. A variety of new ideas was preferred, including the creation of new methods (e.g., formulas) to categorize countries into different groups or the development of new rules rather than new country groups to incorporate CBDR. In any case, more concrete ideas need to be proposed for further discussions of this issue.

In past international negotiations under the UNFCCC, many formulas were proposed to differentiate countries' emission targets, but there was no agreed-upon methodology or procedure to assess whether one formula was better than another. In future negotiations, the CBDR should not be assessed only by differentiating emission reduction/limitation targets. Rather, it could be possible to achieve CBDR by other methods, such as by changing MRV processes or providing access to financial and technological support. The results of this survey indicate that any changes from the current Annex I and non-Annex I country groupings are likely to be opposed by the developing countries, so the groupings may need to be maintained while making changes to elements other than emission reduction targets.

Relative size of utilities among emission targets, mitigation actions, and finance

Countries acquire the highest level of utility when the financial mechanism includes a wide

variety of funding sources, including private investments, followed by legally binding emission targets and mitigation actions. This order was the same for the entire group as well as for the Annex I and non-Annex I groups. This result could be interpreted that there is no conflict between Annex I and non-Annex I countries concerning these fundamental building blocks for the basic elements, but conflicts do exist within each building block. For example, countries could agree that the financial mechanism should accept funding from diverse sources, but they might not be able to agree on the absolute amount of financial resources or on how the funding should be allocated among numerous mitigation and adaptation activities in developing countries.

What should be included in the new institution and tasked out to other institutions

It is difficult to imagine an agreement on any new institution that includes the many elements we have discussed will be achieved by 2015. The results of the survey did show, however, that the respondents are willing to include many of the elements in the new institution. There was wide agreement about including some elements, for example, national emission targets, long-term targets, and MRV processes. Other elements were supported by some groups and not by others; for example, non-Annex I respondents strongly favored including adaptation, technology transfer, and REDD+, but Annex I respondents did not.

Handling of these elements, together with addressing financial issues, will be key in achieving a negotiated agreement. International negotiations could focus on key elements that are expected to be included in the new institution, while making substantial progress on other agendas such as adaptation, REDD+, and technology transfer through COP decisions. In addition, some other

elements, such as the use of sectoral approaches, mitigation of non-CO₂ GHGs, cooperation on the enhancement of renewable energy, assessment of loss & damage, development assistance, and setting regional emission reduction targets, could be tasked to international institutions outside the UNFCCC regime.

Stringent non-compliance rules were not favored by many respondents, so facilitative

compliance procedures would be preferred in the new institution.

Within the context of these suggestions on the building blocks of the new institution under the Durban Platform, the next stage of our research will be to develop more concrete options for the new international institution, including level of ambition and stringency of the building blocks.

Acknowledgements

We would like to thank the 100 anonymous respondents who kindly took the time and effort to answer the questions in the survey.



About Us:

This survey was conducted under the research project, “Study on an Agreeable and Effective International Institution Concerning Climate Change for Years After 2020,” funded by the Environment Research Fund of Japan’s Ministry of the Environment.

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