

Third World Network Lima Climate News Updates

(December 2014)



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LIMA CLIMATE NEWS UPDATES
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TWN
Third World Network

LIMA CLIMATE NEWS UPDATES (DECEMBER 2014)

is published by
Third World Network
131 Jalan Macalister
10400 Penang, Malaysia
Website: www.twn.my

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Cover design: Lim Jee Yuan

Printed by Jutaprint
2 Solok Sungei Pinang 3, Sg. Pinang
11600 Penang, Malaysia

ISBN: 978-967-0747-05-7

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NOTE

This is a collection of 33 News Updates prepared by the Third World Network for and during the recent United Nations Climate Change Talks – the twentieth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP20), the tenth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 10), the forty-first sessions of the Subsidiary Body for Implementation (SBI 41) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 41), and the seventh part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2-7) – in Lima, Peru, from 1 to 12 December 2014.

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Lima News Update

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Published by
Third World Network

1 December 2014

What to Expect at the Lima Climate Conference

Lima, 1 December (Meena Raman*) – The Climate Conference kicks off in Lima, Peru, against the backdrop of recent key events in the climate change arena, which include the most recent release of the Intergovernmental Panel on Climate Change (IPCC)'s Summary for Policy-Makers (SPM) relating to the Synthesis Report of its Fifth Assessment Report (AR5), the US-China joint announcement of their post-2020 actions on climate change, and the US\$9.7 billion pledged to the Green Climate Fund (GCF).

The Lima talks from 1-12 December will see the convening of the twentieth session of the Conference of Parties (COP 20) to the United Nations Framework Convention on Climate Change (UNFCCC), the tenth session of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 10), the forty-first session of the Subsidiary Bodies viz. the Subsidiary Body for Implementation (SBI 41), the Subsidiary Body for Scientific and Technological Advice (SBSTA 41) and the seventh part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2-7).

Two high-level ministerial dialogues have also been planned on 'climate finance' and the 'Durban Platform for Enhanced Action', which will take place on 9 and 10 December respectively.

With less than a year left to conclude the deal in 2015 in Paris for a new agreement under the UNFCCC which is to take effect in 2020, the Lima talks will be an important milestone. Hence, there will be a great deal of focus on the work being carried out under the ADP.

Lima will also witness the first international assessment and review (IAR) process established under the SBI for developed countries, which aims to promote the comparability of efforts among developed countries of their quantified economy-wide emission limitation and reduction targets. The IAR was agreed to in 2010 in Cancun.

A related issue of importance in relation to the mitigation commitments of developed countries will

be the status of progress made on the ratification of the Doha Amendment to the Kyoto Protocol (KP), where only some Annex I Parties agreed to commit to a second commitment period of the KP (for the period 2013-2020) for further emission cuts. The latest information from the UNFCCC website reveals that from the Annex I Parties, only Norway and Monaco have ratified the Doha Amendments.

Parties had also agreed in Doha that under the second commitment period of the KP, Annex I Parties will revisit their emission reduction commitments at the latest by 2014, to increase their ambition. In this regard, the CMP in Lima (under agenda item 8), will consider the report of the high-level ministerial roundtable on increased ambition of the KP commitments that took place on 5 June 2014 in Bonn, Germany. Whether and if Annex I Parties to the KP will revisit their targets to increase their ambition remains to be seen and appears rather remote. What action will follow in this regard will be another critical matter to watch.

ADP

In Lima, Parties are expected to do the following:

- Further elaborate on the elements for a draft negotiating text of the 2015 agreement;
- Identify the information that Parties will provide when putting forward their intended nationally determined contributions (INDCs) in relation to the 2015 agreement;
- Agree on how to accelerate the full implementation of the decisions under the Bali Action Plan (decision 1/CP.13) and to enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties.

In order to assist Parties, the Co-chairs of the ADP have prepared:

- A non-paper on elements for a draft negotiating text;

- A draft decision text on advancing the Durban Platform for Enhanced Action (DP). This draft text includes matters relating to the INDCs and the pre-2020 climate actions.

On the non-paper on elements relating to the 2015 agreement, a key issue for resolution would be on how the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) is applied under the new agreement. Article 3.1 of the UNFCCC provides as follows: ‘The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities.’

The non-paper introduces the notion of ‘evolving CBDR-RC’, which pervades across all the elements of the new agreement viz. mitigation, adaptation, finance, technology transfer, capacity building and transparency of action and support. This concept of ‘evolving CBDR-RC’ is expected to generate an interesting and intense debate among Parties.

On the draft decision on advancing the DP, in relation to the intended nationally determined contributions (INDCs), although the draft decision ‘notes that the scope of the contributions is to be nationally determined...’ (paragraph 8), it stresses that ‘all Parties should include a mitigation component in their INDCs’ (paragraph 9). The decision also provides for ‘opportunities for seeking and providing clarification to Parties and admitted observer organisations’ via electronic means of Parties’ INDCs (paragraph 17). The decision ‘also requests the secretariat to organise workshops...in June 2015 ...’ with the objective of ‘enhancing the clarity, transparency and understanding of the aggregate effect of communicated INDCs’. This is referred to in the discussions as an ‘ex-ante review’ of the INDCs, prior to the finalisation of the Paris agreement.

In the Warsaw COP last year, after much wrangling, Parties agreed to a decision under the ADP to ‘initiate or intensify domestic preparations for their INDCs, without prejudice to the legal nature of the contributions, in the context of the 2015 agreement’ and to communicate them well in advance of COP 21 (in Paris) (by the first quarter of 2015 by those Parties ready to do so).

The scope of the INDCs has been a subject of much debate in the ADP this year and is expected to continue to be so in Lima. Further, developing countries have also stressed previously that there can be no ‘early-harvest’ as regards the mitigation element of the 2015 agreement when all the elements are ‘a package’ or a ‘single undertaking’.

A large number of developing countries, including the Like-minded developing countries

(LMDC) and the African Group, have been opposed to viewing the INDCs as only being mitigation-focused, in stark contrast to the position of most developed countries.

They have said that INDCs cannot be focused only on ‘mitigation’, including in being isolated from the consideration of the provision of finance, technology transfer and capacity building support.

In fact, China, at the October session this year of the ADP, said that there can be no ‘early harvest’ of the 2015 agreement by focusing only on mitigation when all elements of the 2015 outcome are ‘a package’. This view is also shared by the LMDC.

The African Group had in the same session made clear that Parties were working under a ‘single mandate’ as set out in the Durban decision (adopted in 2011) and that work must be captured within ‘a single undertaking’ (in relation to all the elements of the 2015 agreement).

The Bolivarian Alliance for the Peoples of our America (ALBA), had said in the October session that the INDCs are a component of the 2015 agreement and are to be negotiated in the context and in conjunction with all the elements of the agreement, and not separately. It saw the approach of focusing only on mitigation ‘as an attempt by a group of countries to negotiate the outcome of an agreement, which Parties have not yet begun to negotiate, by using the debate on the information on INDC as a back door, and as a way of diluting the commitments of developed countries under the Convention’.

Given the above, in Lima, we can expect intense exchanges on the scope and the treatment of the INDCs vis-à-vis the 2015 agreement, including on whether there should be an ex-ante review prior to the conclusion of the Paris agreement.

In relation to the conduct of work under the ADP, in the last session in October, the G77 and China had stressed that the format of the future sessions has to be modified and called for ‘focussed groups to be established to enter into formal Party-driven negotiations’.

The LMDC also said that they were clearly against having ‘huddles’ in the process to resolve issues and that they will not accept a ‘take it or leave’ outcome text that Parties have not negotiated. The LMDC further wanted the contact group to enable direct negotiations among Parties and called for negotiations based on draft texts on the screen and on paper ‘in order to narrow down differences, find convergence and achieve consensus’. Similar sentiments were also expressed by the Arab Group, the African Group and BASIC (Brazil, South Africa, India and China) who also called for work to begin in more focused groups and asked the Co-chairs to appoint facilitators for such groups. However, Australia and Russia were opposed to having the focused groups and preferred to continue discussions

in the same setting as in the past where exchanges were conducted by the ADP Co-chairs, with no text-based negotiations.

In the scenario note prepared by the Co-chairs for the Lima session, they say that ‘focused negotiations under the contact group will be undertaken in parallel meetings and facilitated by either one of them’. It is unclear as to what is meant by ‘focused negotiations’ and there are concerns as to whether there will be any change in the mode of their work, as demanded by developing countries.

Multilateral Assessment Process under the SBI

The multilateral assessment (MA) process is part of the IAR process established under the SBI for developed countries, to promote the comparability of efforts of their emission reduction targets. The IAR process comprises two steps: a technical review of the biennial reports (BRs) of each developed country, followed by the MA of the progress towards achieving the economy-wide target by developed countries.

In the first round of the MA, which will take place on 6 and 8 December, 17 developed countries will be assessed. These include the European Union, the US, Switzerland and New Zealand. The countries assessed will be providing responses to questions posed by Parties.

This exercise is bound to attract much attention, in order to gauge how much or how little developed countries are doing in limiting the global temperature rise to below 2°C. This process is linked to the discussions currently going on to address the mitigation gap under the ADP in the pre-2020 timeframe.

Finance Issues under the COP/CMP

Given the recent announcements that up to US\$9.7 billion has been pledged to the GCF for four years (2015-2018), the Lima talks are bound to witness reactions from developing countries over the scale of the ambition and the adequacy of the efforts, as Parties agreed in Cancun to mobilise US\$100 billion per year by 2020.

The Lima COP is expected to provide further guidance to the GCF as well as to the Global Environment Facility (GEF) that is currently one of the operating entities of the UNFCCC's financial mechanism.

Other matters on the COP agenda relating to finance include further work on long-term finance; consideration of the report of the Standing Committee on Finance (SCF) which includes recommendations on biennial assessment and overview of climate finance flows; guidance to the GEF and the GCF; outcome of the forum for the communication and continued exchange of

information among bodies and entities dealing with climate finance and measurement, reporting and verification (MRV) of support beyond the biennial assessment and overview of climate finance flows; fifth review of the Financial Mechanism and further guidance to the Least Developed Countries Fund.

The fifth review of the Financial Mechanism is supposed to be concluded in Lima and is seen by developing countries as being very important as Parties look into the whole financial architecture for climate finance, both inside the Convention and its Kyoto Protocol and evaluate the current functioning of the operating entities of the Financial Mechanism of the Convention, which are the GEF and GCF.

Under the CMP agenda, as regards the Adaptation Fund, Parties are also supposed to provide further guidance to the Adaptation Fund Board and to complete the consideration of the second review of the Fund.

Warsaw International Mechanism for Loss and Damage

At the last COP (COP 19) in Warsaw, after intense wrangling between the developing countries and developed countries, Parties established the International Mechanism for Loss and Damage associated with Climate Change Impacts, which was viewed by many as a very significant outcome. COP 19 also established an Executive Committee (Excom) to guide the implementation of the functions of the Mechanism.

Advancing further work for the implementation of the Mechanism is a very important outcome for developing countries, and the consideration of the mode of work of the Excom and the overall governance of the Mechanism will be at the centre of the negotiations.

In Lima, the Subsidiary Bodies (SBI and SBSTA) will consider the initial two-year workplan developed by the Excom this year and whether this plan matches the expectations set for the Mechanism. They will also consider the composition of, and procedures for, the Excom and recommend a draft decision to the COP for adoption on finalising the modalities for the organisation and governance of the Excom.

National Adaptation Plans

With resources soon to be available under the GCF, discussions on national adaptation plans (NAPs) will be key in Lima. The Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG) have completed important analysis for this session on the gaps and needs in the current experience on NAPs. However, key issues remain and many developing countries are concerned that the current pace of efforts does not match the urgency of the issues related to adaptation and NAPs.

The Lima session will need to be clear for developing countries on how NAPs will be received and supported by the GCF and how the Fund will operationalise the actions identified in the process of the formulation and implementation of NAPs. In addition, the role that the AC, LEG, and the Global Support Programmes for LDCs and non-LDCs will play remains unclear; this must be addressed in Lima and cannot be postponed any further.

2013-2015 Review

The COP decided to periodically review the adequacy of the long-term global goal and overall progress made towards achieving it. This is referred to as the 2013-2015 review. In 2012, the COP decided to establish a structured expert dialogue (SED) to support the work of the joint contact group of the SBSTA and SBI and to provide scientific inputs to the review.

The fourth meeting of the SED will be held in Lima in two parts on 2 and 3 December respectively to consider the Synthesis Report of the IPCC's AR5 as well as other sources of information in assessing

the adequacy of the long-term global goal and the progress made towards achieving it.

The information gathered from all the previous SED meetings and the proposed meeting in Lima will be summarised and conceptualised with a view to closing the dialogue before the next session of the SBs (in June 2015). The Co-facilitators of the SED have suggested adjourning the SED on 3 December and to resume the meeting in February 2015, in conjunction with the ADP meeting in Geneva next year.

At the June session this year of the SBs, developing countries had pointed out that the 2013-2015 review must not just address the long-term temperature goal, but must also assess the implementation of the commitments by Annex I Parties particularly in finance and technology transfer.

The outcome of the SED and the review is expected to inform discussions on the long-term global goal currently on-going in the ADP on the Paris deal.

(* With inputs from Hilary Chiew.)

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Published by
Third World Network

2 December 2014

UNFCCC COP Begins in Lima with Outline of Expectations

Lima, 2 December (Indrajit Bose) – The twentieth session of the Conference of Parties (COP 20) and the tenth session of the Conference of Parties serving as the meeting of Parties to the Kyoto Protocol (CMP10) opened in Lima. At the opening ceremony, Marcin Korolec, the Polish President of COP19, handed over the gavel to his successor, Peru's Environment Minister Manuel Pulgar-Vidal.

The opening ceremony was followed by the first plenary of COP 20 and CMP 10, where groups of countries presented their statements, outlining their expectations of the next two weeks in Lima as well as the road ahead to Paris.

While handing over the role of COP presidency to Vidal, Korolec stressed the importance of maintaining trust, transparency and inclusivity in the process. He also emphasised the need for education and said that with better understanding of science, the world will be in a position to build adequate policies.

Vidal added that the Fifth Assessment Report (AR5) by the Intergovernmental Panel on Climate Change (IPCC) merits the world's attention and that is a strong message from science. He urged countries to build trust on the basis of concrete agreements and respond to science. 'The world is waiting for us. It expects us not to fail,' said Vidal.

Vidal also spoke of the significant events in the lead up to COP20 and said events such as the UN Secretary General's Summit in New York in September, the Green Climate Fund (GCF) pledging meeting in Berlin in November, the release of IPCC's AR5 and the US-China joint announcement had set the task ahead.

Speaking of his expectations out of COP 20, Vidal said it is important that it lays the groundwork for a new global agreement in Paris in 2015. He also said that the world must agree on the kind of information to be submitted when they put forth their intended nationally determined contributions (INDCs) next year. He also said that the COP must address the climate finance architecture and take a giant step forward on adaptation. He also pointed to

the first process of international assessment and review, which will be initiated at COP 20. (The review aims to promote the comparability of efforts among developed countries of their quantified economy-wide emission limitation and reduction targets.) He also said that further work must be advanced on the Warsaw International Mechanism on Loss and Damage and on Reducing Emissions from Deforestation and Forest Degradation in developing countries (REDD-plus). Vidal also stressed the importance of upholding transparency and inclusivity in the process, adding that 'this process belongs to you. It is time to act. It is time to (get to) work.'

The President of Peru, Ollanta Humala, in a video message, said that climate change is a reality and the result of human actions. It is time for corrective action and for the world to take action, he said.

Christiana Figueres, the Executive Secretary of the UNFCCC, in her opening remarks spoke of the importance of Parties to work on the draft of a universal climate agreement and in ensuring that adaptation is at the same level as mitigation, as this is vital for those most vulnerable. She urged Parties to broaden their scope of action and to move further and faster and said that if Parties are able to harvest an early result, it would facilitate work towards the 2015 agreement.

The opening session concluded with a warning by RK Pachauri, chair of the IPCC. Referring to AR5, Pachauri spoke of the dire warning by science and the threat of irreversible impacts of climate change. He said that if the 2°C goal has to be kept in mind, then the world will have to move away from business as usual and that emissions need to reach zero, or even go negative by the end of the century. Hoping that the Lima COP would deliberate on this, Pachauri added that limiting temperature rise to 2° would require substantial emission reductions to the tune of 40-70% emission reductions globally by 2050 and near 0 or below emissions in 2100. While substantial challenges lay ahead, it is possible to undertake ambitious mitigation.

‘Delaying mitigation will increase the challenges. The longer we delay the more difficult and intractable and more expensive our actions will be of maintaining the 2° target,’ he said. Pachauri also added that of the 2900 Gt CO₂ eq (Gigaton of carbon dioxide equivalent) of carbon budget in relation to the 2°C target, the world has already used up 1900 GT CO₂ eq. The remaining carbon space in

the atmosphere is just 1000 GT CO₂. ‘Science is at your doorstep. We need an equitable, ethical and implementable set of targets. The choice is ours,’ he said.

Countries, in their opening remarks, also expressed their respective expectations for the Lima talks. (Further reports on this will follow.)

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Published by
Third World Network

2 December 2014

China to Remain in LMDC and General Developing Country Grouping

Lima, 2 December (Meena Raman) – China will remain as a developing country in the UNFCCC framework and will remain in the Like-minded Developing Countries group (LMDC) as well as the more general grouping of developing countries, according to the head of the Chinese delegation, Su Wei, taking part in the Conference of the Parties that opened in Lima on Monday.

Su Wei made this confirmation in answer to a question during a side event on 'Perspectives on the 2015 Paris deal: Options on the road from Lima to Paris', organised by the Third World Network and the South Centre at lunch time at the Conference Centre on the first day of the COP20.

Other speakers at the side event were Ravi Prasad, Joint Secretary of the Environment and Climate Change Ministry of India, Senyi Nafo of Mali, speaking for the Africa Group, and Martin Khor, Executive Director of the South Centre.

After his presentation, Su Wei was asked by a participant whether the joint announcement made recently by the political leaders of China and the United States on their countries' climate goals would mean that China would stay in the LMDC and other developing-country groupings at the UNFCCC. (China is also a member of the G77 and China, and the BASIC, comprised of Brazil, South Africa, India and China.)

In his response, Su Wei, who is Director General of China's National Development and Reform Commission, said that 'Certainly we will remain in the LMDC and the developing countries in general.' He added that in the joint announcement, 'we are committed to a Paris agreement that is based on the principles of CBDR (common but differentiated responsibilities) and equity and is under the Convention, and which is aimed at enhancing the implementation of the Convention. China realises its responsibilities and will do as much as it can towards the 2015 agreement.'

Referring to the US\$9.7 billion pledged to the Green Climate Fund (GCF) which is for four years, Africa Group spokesperson Senyi Nafo said that this amounts to about US\$2.5 billion a year, of which

about US\$1.25 billion is for adaptation (50:50% allocation in the GCF between mitigation and adaptation). This, he said, is a long way to go in meeting the needs of developing countries, especially that of Africa, LDCs and Small Island Developing States (SIDS).

India's chief delegate, Ravi Prasad, said that Parties have not had any meaningful discussions in the UNFCCC to address the issue of technology transfer and intellectual property rights (IPRs), with many obstacles being put in place not to discuss this issue.

Earlier, Su Wei said the Paris agreement to be concluded next year is under the Convention and its principles, and stressed the importance of the CBDR principle. He added that the deal cannot rewrite the Convention but must strengthen its implementation. Referring to Article 4 of the Convention, he said that all Parties had commitments and the Paris agreement must enhance this. Su Wei said that under the US-China joint announcement, leaders of the two countries, in communicating their post-2020 mitigation actions, also expressed their commitment to reaching an ambitious 2015 agreement that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances. This was in recognition of the fact that the US and China are in different stages of economic development with different priorities. For developing countries, the priority is for socio-economic development and poverty eradication, added Su Wei.

He also emphasised the most important step for enhanced actions under the Convention is for the implementation of the pre-2020 commitments, recalling the decisions taken from Bali (2008) to Lima. Su Wei stressed the importance of implementing the second commitment period (CP2) of the Kyoto Protocol (KP), for its ratification and to raise the ambition level, as the 18% emission reductions by 2020 based on 1990 levels are not ambitious enough. He expressed hope that developed countries would revisit their emission reduction targets and create the momentum for real action, under both the KP and the Convention.

On finance, while welcoming the pledges to the GCF, he said that the scale of the amount still has a long way to go in supporting developing countries, especially the LDCs, SIDS and Africa. Su Wei also highlighted the need to treat adaptation and mitigation on equal footing, as the focus appeared to be on the latter. He stressed the need for developed countries to honour their commitments as the implementation of existing obligations is indispensable for the Paris agreement.

In his presentation, Seyni Nafo said that the main challenge for Africa is that of adequacy, which included the adequacy of the long-term temperature goal (which for Africa was 1.5°C) and adequacy of the support for adaptation. He said that the US\$100 billion related to resources mobilisation (in the pre-2020 timeframe) is not going to do the job, adding that the commitment for resources needs to be needs-based. On the issue of contributions in relation to the Paris agreement, Nafo said that this relates to the commitments of Parties under the Convention. What is nationally determined in relation to the contributions is not the scope of the contributions (whether mitigation, adaptation, finance or technology transfer) but rather the level of ambition. This is because the Convention already determines the commitments of Parties. Hence, the contribution cannot be linked to only mitigation, but has to also relate to the finance that is going to be contributed. If the aggregate efforts in relation to the contributions are not enough, then there needs to be a process for the raising of the ambition. On the pre-2020 mitigation gap, there is a need to address the real barriers on the ground in countries to enable the raising of the level of ambition and to also provide opportunities for international cooperation, said Nafo.

Ravi Prasad, in his presentation, elaborating on the issue of IPRs and technology transfer, said that developing countries are being offered a suite of technologies that have not been forthcoming. He said that developing countries need the assurance

and the direction of the support from developed countries before providing their intended nationally determined contributions. What India would like to see is a clear and supportive regime (in the Paris agreement) that provides for the technology transfer and finance necessary for developing countries to make the additional jump towards low-carbon pathways. Prasad expects a regime that respects the right to development of developing countries and allows the space for those that are not so developed to develop, so that every citizen can live and contribute meaningfully.

Prasad said that in relation to the Paris agreement, it should cover all elements, which must all be on the same footing as mitigation, adding that an agreement without finance and technology transfer would not fly. He also stressed the importance of equity and CBDR which must be the basis of the agreement, including that of historical responsibility. He also emphasised the need for developed countries to show clear and manifest leadership, which he lamented has been lacking. He expressed caution on focusing on private sector finance in delivering adaptation actions. He also called for clarity on whether climate finance is new and additional, on top of ODA.

Martin Khor, the Executive Director of the South Centre, in his presentation said that addressing the climate challenge was indeed complex. He referred to the Intergovernmental Panel on Climate Change (IPCC)'s latest assessment report which showed that there was a limited carbon budget left to limit temperature rise to below 2°C. Khor said that according to the IPCC figures, the current carbon budget would be exhausted in the next 20 to 25 years. He said that the developed countries have overused their fair share of the space with their cumulative emissions since 1870 and that there would be no equity in the agreement if this is not addressed. He said that an agreement with no equity would not be implementable and that equity is the gateway to ambition.

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Lima News Update

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Published by
Third World Network

3 December 2014

Parties Present Views at the COP and CMP Plenary

Lima, 2 December (Indrajit Bose) – The twentieth session of the Conference of Parties (COP 20) to the United Nations Framework Convention on Climate Change (UNFCCC) and the tenth session of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP10) convened a joint plenary on 1 December. Country groups outlined their expectations of Lima in their plenary statements.

Several developing country Parties stressed on the process in the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), which has been tasked with drawing up of the 2015 agreement. Developing countries wanted the process to be transparent and inclusive and asked for text-based negotiations to begin. Any attempt to redefine or rewrite the Convention would complicate and delay the process, said Bolivia on behalf of the G77 and China.

The Like Minded Developing Countries (LMDC) too said that they do not want to see huddles or gavel-based negotiations and wanted to see Party-driven negotiations. It called for the 2015 outcome to be equitable. It also called on developed countries to do more rather than backslide on their commitments. Any attempts by developed countries to casually set aside pre-2020 ambition pose serious questions to their commitment, the group said.

The BASIC (Brazil, South Africa, India, China) group of countries added that work on the loss and damage mechanism should be furthered in Lima but with the recognition that enhanced implementation cannot be completed without financial support.

On the CMP, a large group of developing countries called for the early ratification of the Doha Amendment to the Kyoto Protocol and asked of developed countries to revisit their emission reduction targets and close the ambition gap. However, the Umbrella Group of developed countries said that the world has changed and rapid industrialisation has lifted millions out of poverty. The group is of the view that the Kyoto Protocol alone cannot provide the solution.

The following are the key interventions by Parties:

Speaking for **the G77 and China, Bolivia** spoke of the climate crisis pointed out by the Intergovernmental Panel on Climate Change (IPCC), and expressed concern over backsliding in commitments on the part of developed countries to reduce emissions, and support adaptation, finance and capacity building. Developing countries on the other hand have stepped forward and taken the lead to implement ambitious action by using their own scarce resources to improve their development prospects, it said.

Bolivia called for the urgent capitalisation of the Green Climate Fund (GCF) with new, additional and predictable funding. While it welcomed the pledges (US\$9.7 billion) to the GCF, it said that they are insufficient.

It also iterated that the lack of Annex I ambition in meeting Kyoto (Protocol) commitments must also be part of the discussion in Lima. It is necessary that Annex I Parties revisit their quantified emission reduction targets.

Speaking on the process, Bolivia said that the outputs of the process should reflect Parties' proposals and underlined the importance of making progress on elaborating elements of the 2015 draft negotiations text. It reiterated that the agreement must be under the Convention and based on its principles and provisions, equity and common but differentiated responsibilities and respective capability (CBDR-RC). The 2015 agreement must treat all elements in a balanced manner and on equal footing. The agreement should focus on all the elements: mitigation, adaptation, finance, technology transfer, capacity building.

It also reiterated the Warsaw decision wherein Parties are mandated to agree on the information on intended nationally determined contributions (INDCs) in Lima. It further said that the INDCs should be seen in a balanced manner, as per the principles and provisions of the Convention and that developing countries require support from the developed countries to submit INDCs. Any attempt to redefine or rewrite the Convention would complicate and delay the process, it said.

Bolivia also called for special attention to be given to National Adaptation Plans (NAPs) in Lima and said that NAPs must become a reality. Technology transfer will continue to be a key component of the outcome and effective mitigation and adaptation would rely on technology transfer. It said that the COP should focus on building mechanism and create policy conditions for rapid transfer of technology to developing countries and help them innovate. It called for the strengthening of technology mechanisms under the Convention and for barriers to technology transfer to be removed. Any agreement without CBDR-RC and equity would not do, it stressed.

A bottom-up approach for developed countries would not meet the target required and time is running out, it said. It also called for the Warsaw Mechanism on Loss and Damage to be made functional and for it to address the needs of developing countries. Response measures must also be looked into and it said it is committed to deliver on this very important issue.

Hoping that the process in the next two weeks would be transparent and inclusive, Bolivia reminded Parties that a fundamental step was taken in Doha to enhance the climate change regime through ratification of the second commitment period of the Kyoto Protocol (CP2). It called for the urgent implementation of CP2 and said that all Parties must ratify the Doha amendment to enable its rapid entry into force. Only two developed countries have ratified CP2 while others had made only political pledges. There are some developed countries that have not joined or stayed away from CP2. Rapid ratification is crucial to build trust under negotiations in the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). It also called on developed country Parties to close the ambition gap by 2020 and reminded them of their commitment to revisit their targets in 2014.

Speaking for the **Like Minded Developing Countries (LMDC)**, Nicaragua said it is representing half of the world's population and most of the world's poor. It is expecting of the Lima COP to take full measures and wants to see in Lima robust international outcomes that adhere to the principles and structure of the UNFCCC in a fair manner. It called on developed countries to do more rather than backslide on their commitments. Developed countries must provide financial resources and effective technology transfer so that developing countries are able to undertake poverty eradication and sustainable development objectives simultaneously.

It said that the ADP elements must be elaborated upon in Lima, emphasising that 'this is the mandate and it must be fulfilled'. If the agreement is missing the other elements, it will be unfair, unbalanced and would not bring the world closer to

solving the climate crisis. Reinterpreting the Convention would not lead to consensus or success, Nicaragua said. It also called for pre-2020 ambition on all elements to be enhanced. Finance is a crucial issue to build a better base for the 2015 outcome, it said. This should include guidance to the GCF, clarity on long-term finance on meeting US\$100 billion a year by 2020. Technology transfer should be a key component and effective mitigation and adaptation action should rely on and address other IPR (intellectual property rights) issues, it said.

The 2013-2015 review must consider what needs to be done to address the implementation gap. It also expects to see in Lima concrete measures to address the socio-economic consequences of response measures. It called on the Loss and Damage Mechanism to be built further in Lima. It reiterated that the 2015 outcome on all the elements must be equitable and durable. It called for draft text from Parties to be reflected on the screen and for negotiations to begin in focused groups. It also warned that in the process ahead the LMDC does not want to see huddles or gavel-based negotiations.

Speaking for the **LMDC on the CMP, Pakistan** said that since the adoption of CP2, only two developed countries have ratified the Doha amendment to the Kyoto Protocol. It called on Annex I Parties to initiate legal processes for an early ratification. Revisiting targets is crucial. It called on developed countries to achieve emissions reduction of 25-40% (based on 1990 level) by 2020 and said the mitigation gap would not have existed in the first place if developed countries did what they were supposed to. Rather than doing that, they had backtracked on their commitments. It also emphasised the group's 'grave concern' for those who left the Kyoto Protocol. Any attempts by developed countries to casually set aside pre-2020 ambition pose serious questions to their commitment, it said. It reiterated that the Kyoto Protocol is a cornerstone of multilateral rules agreed under the Convention.

Speaking for **BASIC (Brazil, South Africa, India, China), South Africa** said Lima is critical towards Paris (COP 21) and that the 2015 agreement must be rules-based and one that maintains the integrity of science and CBDR, with developed countries taking the lead. It iterated that adaptation is as important as mitigation. On contributions, it said investments by developing countries in adaptation should be recognised as contributions. It recognised the importance of the loss and damage mechanism and said enhanced implementation cannot be completed without finance. Finance is key to building trust in the process, it said, expressing expectation that Lima will launch a process to mobilise jointly mitigation and adaptation and the goal of providing US\$100 billion by 2020. The group also urged developed countries to scale up resources to the GCF.

On the CMP, the group said that the world is two years into CP2 and it is worthwhile to reflect where it stands today. It is concerned that some Annex I countries have chosen to meet the 2020 target outside of the Kyoto Protocol; those that have not, must sign up to CP2. BASIC is also concerned that some Parties are seeking to renegotiate the targets. Commitments by Annex I Parties are significantly short of what is required by science and they must increase their ambition in 2014. It called for a contact group to discuss the issue. It also reaffirmed that negotiations should be Party-driven and that all Parties should implement decisions taken in previous COPs.

Speaking for **the African Group**, **Sudan** said that it is committed to delivering the mandate of Durban through milestones set in Doha and Warsaw. It iterated that INDCs and elements of a negotiating text must be one decision. It is concerned about some Parties alluding to the Warsaw decision as mandate and the elements as recommendation of outcome under the ADP. It called on Parties to begin negotiations based on text and for text to be projected to enable Parties to work transparently on it. It said it would make specific proposals on pre-2020 ambition. It called on Parties to scale up contributions to the GCF as well as unplug political hurdles to mobilise US\$100 billion by 2020.

On CMP, Sudan said slow ratification of the Doha amendment does not help build confidence for the new agreement. It said that re-negotiating CP2 commitments should not be done and expects Annex I Parties to assume leadership. It said some Parties are using technical issues as an excuse to not ratify the Doha amendment and reiterated its call for the Lima talks to include reforms on the Clean Development Mechanism (CDM). The group said it remains concerned about diminishing resource base and called for a mechanism to ensure sustained implementation of the decisions that have been taken.

Speaking for **the Least Developed Countries**, **Nepal** said that Lima presents an opportunity for an action-oriented response to climate change. While it welcomed the pledges to the GCF, it also said that they were insignificant. It called on Parties to remove conditions for finance to the Least Developed Countries Fund and called for more certainty around NAPs (national adaptation plans).

On the CMP, it called on Parties to speed up ratification and for all the developed countries under the Kyoto Protocol to review their emission reduction targets in line with what is required by science. It called on those who are not part of CP2 to commit to comparable pledges of emissions reduction.

Speaking for **the Alliance of Small Island States (AOSIS)**, **Nauru** explained some of the climate change impacts the countries are experiencing, from sea level rise to storm surges to erosion and other coastal hazards that have become

the norm. Reminding the world that their food and water security stand threatened, Nauru stressed that financial issues must be central to COP 20. It said that long-term finance is of particular importance to the group and called for predictability and clarity of mobilising US\$100 billion a year by 2020. It welcomed the GCF pledges and said the GCF should be able to be in a position to approve projects by 2015. It called for priority to be accorded to direct access and reiterated that adaptation needs of the SIDS are urgent.

It called on Parties to provide technology transfer as that would lead to many benefits for both mitigation and adaptation. It also called on Parties to approve the joint report of the technical bodies to the COP. It underscored the importance of the 2013-2015 review, and said its outcome should be taken into account for both INDCs as well as settling the level of ambition in the 2015 agreement.

On the CMP, the group reiterated that the commitments by developed countries in the first commitment period were modest and that CP2 targets are not ambitious. Not raising ambition would threaten the survival of many SIDS, it said. It called on Parties to ratify the Doha amendment to the Kyoto Protocol and said that Parties who are in a position (to do so) should do more to reflect ambition. Annex I Parties should review commitments beyond 2015, with an eye on what failure of ambition means.

Speaking for **the Bolivarian Alliance for the Peoples of our America (ALBA)**, **Venezuela** insisted that mitigation and adaptation need to be a comprehensive part of the agreement. It called for higher levels of ambition in terms of contributions to close the ambition gap and for equal importance to mitigation and adaptation. It stressed that it does not want to renegotiate the Convention and called for transparency in adhering to the principles of the multilateral system. Venezuela called for the need to progress on text by all Parties. 'Text should be the result of consensus and not a result of huddles or small groups,' it said.

Saudi Arabia speaking for the Arab league of States said Lima must achieve tangible outcomes with regard to elements of the new agreement and this must include all the elements of the Warsaw decision. It is important to strike a balance and not focus only on mitigation. It said it is important to abide by mitigation commitments and to link actions to support and finance. It also said that the support must go through a process of Measurement, Reporting and Verification (MRV). It further called for the establishment of a mechanism to assess the negative impact of response measures. It welcomed the GCF pledges and called for a balance in financing mitigation and adaptation. The Arab Group said it reserves its right to diversify its economies.

On the CMP, the group said it is concerned about attempts to renegotiate targets to avoid legal

responsibility. It called for the immediate ratification of the Doha amendment and for increasing ambition in CP2. This also applies to those Parties that are not part of CP2 and there is no justification in shifting the burden onto developing countries, it said.

Speaking for **the Independent Alliance of Latin America and the Caribbean (AILAC)**, **Chile** said the Peru talks should agree on information on contributions, definition of prior evaluation that is sound to examine the INDCs in 2015, and concrete provisions on mitigation, adaptation and means of implementation by all Parties. On the CMP, it called on Parties to urgently endorse amendments to ratify the Doha amendment.

Speaking for **the Coalition of Rainforest Alliance**, **Panama** stressed the importance of forests to meet the ultimate objective of the Convention. It looks forward to engaging with Parties on 'REDD plus' (Reducing Emissions from Deforestation and Forest Degradation).

Speaking for **the Umbrella Group of countries**, **Australia** said that COP 20 is critical in that it has to respond to the IPCC through action by all Parties. The group is looking at progress on the

negotiations text in Lima as well as looking at Lima to provide guidance on contributions. It said there is a lot of work on finance and loss and damage to be done in Lima and to see how finance flows from public and private sources.

On the CMP, it said that the world has changed and rapid industrialisation has lifted millions out of poverty. The Kyoto Protocol alone cannot provide the solution, it said. While the respective undertakings can continue under the Protocol, the Paris agreement must apply to all, it reiterated. It said that Parties must not seek to renegotiate decisions already taken in Doha and these saw strong progress in Bonn in June this year. Parties should not open these matters in Lima, it said.

Speaking for its 28 member states, **the European Union (EU)** said it expects Parties to leave Lima with a balanced elements text that will provide the basis for negotiations ahead. It called for gender equality in the elements of the agreement and for ambitious action pre-2020. It said that the EU is well on its way to outperform its commitments and that it is working out the legal arrangements for the ratification of the Doha amendment to the Kyoto Protocol.

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

3 December 2014

Parties Present Views at the SBSTA and SBI Opening Plenary

Lima, 2 December (Hilary Chiew) – The 41st sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 41) and the Subsidiary Body for Implementation (SBI 41) opened on 1 December as Parties to the United Nations Framework Convention on Climate Change (UNFCCC) began their annual talks.

The two subsidiary bodies (SBs) immediately launched their respective work in contact groups and informal consultations on various agenda items. The SBSTA is scheduled to conclude its work by 6 December while the SBI will hold the first part of its closing on 5 December by adopting conclusions. The SBI will then convene its multilateral assessment working group session on 6 and 8 December to be followed by the final part of its closing upon conclusion of the working group session on the 8th.

A major agenda of SBI 41 is the first round of the multilateral assessment (MA) process which is part of the International Assessment and Review (IAR) established under the SBI for developed country Parties which aims to promote the comparability of efforts among all developed countries with regard to their quantified economy-wide emission limitation and reduction targets. Seventeen countries will be assessed in this round that includes the European Union and the United States.

The work of the SBs will also feature several joint agenda items such as the fourth meeting of the Structured Expert Dialogue in two parts under the 2013-2015 Review, the continued deliberation on the forum on the impacts of the implementation of response measures by developed countries on developing countries, the Warsaw International Mechanism on Loss and Damage, Report of the Adaptation Committee, and the joint annual 2014 report of the Technology Executive Committee and the Climate Technology Centre and Network.

SBSTA opening

Chair Emmanuel Dumisani Dlamini (Swaziland) presided over the meeting.

As the agenda item on bunker fuel emission from fuel used for international aviation and maritime transport will not be deliberated at this session, the Chair allowed the intervention of several Parties at the plenary.

Argentina representing the African Group, Brazil, China, Cuba, Ecuador, El Salvador, India, Malaysia, Nicaragua, Uruguay, Saudi Arabia, Venezuela, Bolivia and Oman outlined several elements for consideration of the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO) in their work in addressing climate change.

The elements are:

- Full respect to the principles and provisions of the Convention and of its Kyoto Protocol, in particular the principles of common but differentiated responsibilities, as well as that measures should not constitute disguised restrictions on international trade;
- Comprehensive assessment of the possible (direct and indirect) social, economic, technical and environmental implications of the measures under discussion for developing countries, taking into account that international aviation and maritime transport play a vital role in the facilitation of world trade, and therefore on social and economic development in developing countries;
- Respect to the consensus rule, and to the promotion of an inclusive and transparent process and a multilateral approach consistent with the principles and provisions of the UNFCCC, in opposition to unilateral measures;
- Promotion of transfer of financial resources and technologies from developed countries to developing countries, in accordance with the developed countries' obligations under the Convention.

In relation to the specific work of the IMO, the group of countries reaffirmed the importance of the progress made in the IMO's 65th Session of the

Marine Environment Protection Committee of May 2013 with the recognition of the UNFCCC principles, in particular the principle of common but differentiated responsibilities, in the Resolution on *Promotion of Technical Cooperation and Transfer of Technology relating to the Improvement of Energy Efficiency of Ships* of the IMO Marine Environment Protection Committee. Such recognition from the IMO sends a clear signal that the organisation respects the principles and provisions of the UNFCCC in its work related to climate change.

The group welcomed the IMO resolution which established the Ad Hoc Expert Working Group on Facilitation of Transfer of Technology for Ships (AHEWG-TT), which is an important first step towards the transfer of technologies from developed to developing countries, in accordance with multilaterally agreed rules. They called on all countries to engage in the activities of the Ad Hoc Working Group.

Argentina acknowledged the approval of the Third IMO GHG Study 2014, which highlights, in reference to the average of the period from 2007 to 2012, that 'international shipping accounts for approximately 2.6% and 2.4% of CO₂ and GHGs on a CO₂e basis, respectively' while in 2012 it only accounted for 2.2% of global emissions. This shows that international maritime transport is only a modest contributor to climate change, while it is fundamental for trade and economic and social development.

With respect to the ICAO report and communication, and in relation to the work of the Environmental Advisory Group (EAG), it recalled the mandate coming from Resolution A38-18, in the sense that ICAO State Members should work on the technical aspects, environmental and economic impacts and modalities of the different possible options for a global market-based measure for international aviation, including its feasibility and practicability. It noted the recent presentation in the EAG of some alternative proposals to the 'strawman' document by different ICAO Members, proposals that should be analysed, studied and elaborated by the ICAO, in particular in terms of how they take into account the special circumstances of developing States and address all of the concerns presented by Parties before taking further steps forward, following Resolution A38-18. In this sense, the work in the ICAO should remain Party-driven, transparent and inclusive.

[The strawman document is the report of the Meteorological Aeronautical Requirements and Information Exchange Project Team (MARIEPT-Action Report No. 2A dated 20 March 2012). This paper presents a 'strawman', in other words a proposal, outline or framework, for functional requirements for meteorological information to support ICAO's global concept of air traffic management and performance-based navigation.]

The group of countries also highlighted the importance of the recognition in the Resolution A38-18 that market-based measures should be implemented only after bilateral and/or multilateral agreement and on the basis of mutual consent. They called on countries to respect ICAO decisions and not resort to unilateral action. They also noted the acknowledgement in the ICAO resolution of the principle of common but differentiated responsibilities in any possible design of market-based measures. The ICAO discussions should not prejudice or duplicate possible results of the UNFCCC work or its principles and provisions.

With regard to ICAO's work regarding States' action plans, in the case of developing countries, these plans must be understood as voluntary actions that take into account the specific national contexts, and not as part of a global goal in the international aviation transport. In this context, there is a need to ensure the transfer of financial resources, technology transfer and capacity building support to developing countries for them to be able to voluntarily undertake specific action plans, said Argentina.

It also reiterated deep concern at the proposals for the use of international aviation and maritime transport as a potential source for the mobilisation of revenue for climate finance, echoing the views included in the Resolution A38-18 and in the submissions made by ICAO that international aviation should not be disproportionately targeted as a source of revenue.

It requested for the group's statement to be included in the records of this session and expressed trust that the ICAO and IMO will take these matters into consideration in their work and in their reports and communications in future SBSTA sessions.

China expressed its concern over the research of global market-based mechanism conducted by the ICAO which will be detrimental to developing countries with fast growth after 2020. It urged both ICAO and IMO to further implement the principle of CBDR in their respective work.

Singapore commended the IMO and ICAO on their progress in tackling emissions and believed that these agencies demonstrated strong leadership and thus can lead (climate change) efforts in their sector.

Japan maintained that it is improper to apply CBDR to the work of ICAO and IMO due to the complexities. It said that issues related to international aviation and maritime transport should be dealt with by ICAO and IMO as specialised UN agencies and that member states in these agencies are already taking concrete steps.

Due to time constraints, presentation of views by Parties was limited to several groupings as below:

Bolivia speaking for the Group of 77 and China (G77-China) stressed that it is paramount to operationalise the Warsaw International Mechanism on Loss and Damage to address the need of

developing countries suffering from extreme weather and slow-onset events. It wanted to see the finalisation of the executive committee and the necessary arrangement including the link to the financial mechanism and the approval of the two-year work plan.

It also wanted Parties to commit to actions to address the impacts arising from the implementation of response measures. It reaffirmed the Group's submission (made during SBs 40 in June 2014) for the continuation of the forum and the establishment of a mechanism to minimise the negative consequences of the implementation of response measures by developed countries on developing countries, in particular, to address the policy issue concerns such as unilateral measures. It believed its proposal has key substantive elements towards progress and trusts Parties to engage constructively.

On the Warsaw Framework for REDD-plus (Reducing Emission for Deforestation and Forest Degradation plus three other activities) that sought to obtain and receive results-based payment for results-based actions expressed in tonnes of carbon dioxide, Parties should also recognise the alternative policy approaches such as the joint mitigation and adaptation for forest in the context of sustainable development and should be supported by finance, technology and capacity building as provided under the Convention.

On development and transfer of technologies and implementation of the Technology Mechanism, the Group believed that the full implementation of the Technology Mechanism is crucial by ensuring the coordination of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN), the two bodies under the mechanism. It emphasised the necessity for the TEC to structure its work plan in short and medium terms and that it needs to address barriers to technology transfer under the thematic dialogue.

The G77-China looked forward to the continued constructive engagement in discussion related to the framework for various approaches, new market mechanism and non-market-based approaches in a balanced manner, noting the importance of the matter for the 2015 agreement.

It further said Parties should not use technical excuses to refrain from setting the date for completion of the multilateral assessment in time that would facilitate the process of ratification of the Doha Amendment (to the Kyoto Protocol) and to delay an important and politically-sensitive issue that is paramount to trust-building.

Representing the African Group, Sudan said in light of the findings of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) which confirmed that warming of the climate system is unequivocal, the need for high mitigation ambition cannot be overemphasised.

It welcomed the joint annual report of the TEC and CTCN, noting that of particular importance is the matter of climate finance and technologies for adaptation, the need to address barriers to technologies transfer and the collaboration with other institutions on this matter. It looked forward to a decision here in Lima.

On REDD-plus, it said the Group will continue to engage in discussion on additional guidance for safeguards but noted that the diverse circumstances of Parties must be recognised, adding that additional guidance on safeguards would require more information gathering where current guidance is already sufficient. It believed that there are some interesting elements on the issues of non-carbon benefits and the joint mitigation and adaptation approach, and it looked forward to discussing them here in Lima.

The African Group supported strengthening of the work of the Adaptation Committee and looked forward to decisions that could give further guidance to the Committee.

It appreciated the work of the Structured Expert Dialogue and wished that SBSTA would build on the conclusion of discussion on the IPCC report.

On the forum on the impacts of the implementation of response measures, the Group said the review of the work of the forum completed in the June session (SBs 40) showed that there are still needs for concrete arrangement to strengthen and enhance areas for collaboration and cooperation. It looked forward to engaging with partners further with the view to adopting a decision in Lima on this matter.

Regarding the framework for various approaches, new market-based mechanisms and non-market-based approaches, it said it is important to consider their relationship with the 2015 agreement, including amendment of the Kyoto Protocol. It hoped to make progress in a balanced manner.

Speaking for the Least Developed Countries, Nepal thanked the Chair for his information note which highlighted the significant findings of the AR5 of the IPCC which clearly states that if deep cuts in greenhouse gas emissions are not made, there will be severe, pervasive and irreversible impacts on people and ecosystems. It is the poorest and most vulnerable countries, such as the LDCs, that will suffer the most from these impacts.

It said the information note identified the issues that the Co-Chairs believe are of particular importance to the SBSTA, which are those prerequisite to the successful implementation of the Kyoto Protocol's second commitment period (Sub-items 10a, 11a and 11b).

The LDCs believed that implementing the second commitment period of the Kyoto Protocol as soon as possible is crucial to help close the mitigation gap and prevent the impacts spelled out

by the IPCC. Of the 19 nations that have ratified the Doha Amendment thus far, four are LDCs.

Nepal said that several other members of the Group are working to add their names to those of Bangladesh, Djibouti, the Solomon Islands and Sudan and hoped that the successful ratification of the Doha Amendment will be completed as soon as possible.

Regarding the Nairobi work programme, it said the LDC Group has very clearly put forward its views in the past. 'Our countries have not seen substantial impacts of this work programme at field level. We believe that the Nairobi work programme should regularly produce a list of concrete implementable activities and forward it to the SBI for its effective implementation through the Adaptation Committee.'

On REDD-plus, it hoped that Parties continue to progress and address the remaining REDD-plus issues for full implementation. The Group is keen to see progress in the areas of methodological guidelines for both non-market approaches and non-carbon benefits related to REDD-plus activities.

It acknowledged the work conducted by the TEC and the CTCN, in particular the incubator programme developed for the LDCs. Many Parties have undertaken their Technology Needs Assessment and identified and prioritised activities including the formulation of Technology Action Plans. For those that have not done so, support may be needed to accelerate the process.

Regarding the 2013-2015 Review, it acknowledged the work done since the establishment of the Structured Expert Dialogue (SED) and hoped that it will deliver concrete outcomes to inform the work of the ADP. It is critical that the SED is directed towards finding the pathways that will lead to a below 1.5 degree Celsius temperature limit relative to pre-industrial levels. It also wanted further consideration to be given to the means of implementation in the review process.

On the Warsaw International Mechanism on Loss and Damage, it hoped that the two-year work plan will address actions and support, including finance, technology and capacity-building as mandated by the COP, in order to enable the Warsaw International Mechanism to be fully operationalised at all levels. These levels include support for rehabilitation, risk transfer and human displacement and other losses and damage caused by the impacts of climate change such as permanent economic and non-economic issues, recognising that loss and damage is beyond adaptation. It also wanted the two-year work plan to address loss and damage issues at the national level, such as institutional establishments to facilitate research and data management.

The Group believed that issues related to economic instruments – market-based mechanisms, non-market-based approaches and framework for various approaches – are fundamental and need

careful considerations and balanced outputs. It said Parties should consider the potential relationship of these instruments with the 2015 agreement and previous decisions, including amendments to the Kyoto Protocol flexible mechanisms.

The European Union wanted the methodological issues under the Convention and the Kyoto Protocol to be finalised in Lima for timely reporting to the COP.

On market and non-market mechanisms, it expected the international use of these mechanisms will be provided for in the 2015 Agreement and it must be subjected to robust accounting and agreed rules to ensure integrity of commitment, and double-counting is avoided. On loss and damage, it expected the work plan to be finalised so that the work can start without further delay on this important matter with the urgency it deserves.

Australia representing the Umbrella Group said it looked forward to a productive session. On loss and damage, it said Parties must finalise the composition of the executive committee; and on market mechanisms, it said the good progress should be built on and a clear work plan produced for consideration of the COP.

SBI opening

Chair Amena Yauvoli (Fiji) in opening the 41st session (SBI 41) on 1 December afternoon noted that it would be a busy session and urged Parties to focus on finding consensus in an efficient manner with the limited amount of time. He said it is necessary to streamline discussions as we need results on critical issues.

He also informed Parties that the sub-agenda item on *Information contained in national communications from Parties not included in Annex I to the Convention* will be held in abeyance until SBI 42. At SBI 40, there was no consensus to include this item on the agenda and it was held in abeyance. On a proposal by the Chair, the SBI decided to include this item for SBI 41.

For the first multilareal assessment, he reaffirmed that there would be no conclusion at this session as reflected in the agenda and the working group session will continue next year. He said on 6 December, the multilateral assessment will feature the European Union, Austria, Croatia, Cyprus, Denmark, Finland, France, Italy and Latvia while on 8 December it will be Luxemburg, the Netherlands, New Zealand, Portugal, Spain, Sweden, Switzerland and the United States.

Speaking for the G77-China, Bolivia reiterated the importance of setting the date for the completion of the multilateral assessment that entails understanding of the difficulties of the review process and technical excuses should not be allowed to delay this politically-sensitive issue that is paramount to trust-building.

It said the current pace of effort of the work of the LDCs Expert Group and the Adaptation Committee needs to be improved in relation to adaptation. There should be coherence between the National Adaptation Plans (NAPs) in developing countries and the support of the financial mechanism, and Bolivia noted that countries that had formulated NAPs need funding for adaptation and high priority should be given to technical support including for the development of NAPs in non-LDCs developing countries. It looked forward to further engagement in this session to take stock of the initial guidelines for the formulation of NAPs. It also lamented the lack of sustainability, predictability and adequacy in relation to the Adaptation Fund.

It also said capacity-building is important to the Group and that activities across different issues need an institutional arrangement to implement them.

On the multilateral assessment, it believed it is crucial to the full implementation of the Bali Action Plan and to build confidence towards Paris.

(For the G77-China's views on joint agenda items of the SBs, please refer to the report on the SBSTA opening above.)

Sudan representing the African Group said it remained concerned with the absence of concrete activities related to means of implementation and it believed that the overall governance issue of the executive committee of the Warsaw Mechanism on Loss and Damage should be finalised here in Lima. It said the composition should recognise the need of developing countries with diverse needs.

The Group called for the process to assess finance and technology support for NAPs to be simplified. While appreciating the work undertaken by the Green Climate Fund and the current pledges, it noted that there is lack of clarity on how the implementation of NAPs will be supported and called for clear guidance on the matter in this session. It also lamented that the LDC Fund has not received fresh funding.

On the forum on the impacts of the implementation of response measures, it said the review of the work of the forum has noted the gaps and the Group is ready to engage and looks forward to a decision that defines the concrete way forward.

Nepal speaking for the LDCs expects a decision to enable the full implementation of all elements of the LDC work programme. It urged Parties to replenish the LDC Fund to support the implementation of the National Adaptation Programmes of Action (NAPA) and the formulation of NAPs in a timely manner in the LDCs.

It is encouraged with the recent pledges contributing to the initial resource mobilisation process of the GCF but noted that it is only an initial step towards the minimum of US\$100 billion per year by 2020 that is required to address climate change in developing countries. It is concerned that

there is still a lot of uncertainty on how and when the Fund can be accessed.

Stressing that the issue of loss and damage is of very high importance for the LDCs, it acknowledged the two-year work plan and appreciated the work of the interim Executive Committee (ExCom). It noted that the draft work plan prepared by the interim ExCom will be discussed among Parties before its approval according to the mandate of the Warsaw COP decision. On the composition and modalities of the ExCom, it believed that the committee should be formed in a way that ensures the voices and needs of the most vulnerable countries and particularly the LDCs are properly addressed.

Highlighting the depleting resources of the Adaptation Fund, Nepal drew Parties' attention to the Group's submission on establishing linkages and an innovative source of funding to guarantee sustainable, predictable and adequate financial resources and looked forward to discussions and responses from partners on the proposals.

It wanted to advance on matters related to capacity-building where the main obstacles are the lack of adequate resources, permanent institutional arrangement for effective implementation and monitoring of all the activities on capacity-building.

It said it is necessary to make further progress on gender equality in this session where it looked forward to a decision to confirm a framework for implementing gender-sensitive climate policy, including a two-year work programme on gender and climate change.

Speaking for the Alliance of Small Island States (AOSIS), **Nauru** drew attention to the IPCC's AR5 report and stressed that it leaves little doubt that small island developing states (SIDS) face numerous life-altering and even life-threatening impacts. Simply put, it said the Group cannot survive, let alone grow and prosper, without food, water or land.

The Group remains deeply concerned about the status of resources of the Adaptation Fund which provides support for concrete adaptation projects, prioritises the most vulnerable and has pioneered the direct access procedures. In Lima, it said Parties need to ensure the continuity of the operations of the AF by answering the call of the Board to provide US\$80 million in the short term, adding that Parties also need to use the second review of the Fund to explore longer-term solutions for sustainable resources to make Lima a success.

Nauru said the Durban Forum on capacity-building would be more useful to developing country Parties if it provided a means for finding solutions for some of the problems that many countries still face in trying to identify and build capacities for addressing climate change.

On loss and damage, it expressed disappointment that AOSIS was not represented on

the interim ExCom. It therefore insisted that there be a permanent SIDS seat on the ExCom on the Warsaw International Mechanism and it looked for a decision on this matter at COP 20. It is also dissatisfied with the draft two-year work plan and requested the SBI to put aside adequate time for the discussion of this matter and the negotiation on the composition and procedure of the ExCom.

It said the 2013-2015 Review is a priority and that it must be based on the best, latest and most relevant science and must ultimately consider the specific impacts and risks to key sectors and systems at different levels of warming with a focus on particularly vulnerable countries such as SIDS and LDCs. It is of the view that the Structured Expert Dialogue should take into consideration national and regional reports, studies, and other credible sources of information that are not always included in peer-reviewed journals in order to get a more complete picture of the effects of climate-related impacts.

Costa Rica speaking for the Association of Independent Latin American and Caribbean States (AILAC) said implementation of actions is the foundation for the future climate change regime and the work on national communications is crucial to build transparency. It said in Lima, Parties must decide on the best way to make progress on the issue of the implementation of Nationally Appropriate Mitigation Actions (NAMAs) and its registry. It also

emphasised the urgent need for all countries to ratify the second commitment period of the Kyoto Protocol to lay the foundation to increase pre-2020 ambition in order to be able to make progress in post-2020 issues.

Australia speaking for the Umbrella Group said work on NAP will strengthen developing countries' ability to integrate adaptation into national planning to reduce vulnerability. It looked forward to the adoption of the two-year work plan of the Warsaw International Mechanism on Loss and Damage.

The European Union wanted to see progress in all agenda items. It stressed that it is essential to increase robustness of the measuring, reporting and verification (MRV) system of all Parties taking into account different levels of capacity and national circumstances. It will continue its efforts on the ground to support LDCs and other developing countries in reducing vulnerabilities and mainstreaming adaptation.

Korea representing the Environmental Integrity Group said the group puts high priority on the multilateral assessment which is an important milestone not just for the 17 Annex I countries being reviewed but for all Parties. It said the multilateral assessment will set a reference for the future IAR and ICA (International Consultation and Analysis) review process and ongoing discussion of MRV.

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www.twn.my

Published by
Third World Network

3 December 2014

ADP: Developing Countries Demand Party-driven Text-based Negotiations

Lima, 3 December (Meena Raman) – Many developing countries and their groupings demanded a more transparent and participatory method of negotiations than the one currently practised by the Co-chairs, during the first negotiating session of the Durban Platform Working Group at the Lima COP on Tuesday, 2 December.

Their demands that the traditional method of work of putting texts on a screen, and making changes to the text as countries made their proposals, reached new heights as the countries perceived that the Co-chairs were less than interested in accepting their proposals.

Instead, the Co-chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) seemed intent on continuing what they had done in the previous year, viz. to merely listen to comments and proposals made by the Parties and then for them to come out with new versions of the draft decision text. This was considered to be not a Party-driven but a chair-driven process by many of the developing countries.

The ADP formal plenary session began on Tuesday morning, with the ADP Co-chair Kishan Kumarsingh (Trinidad and Tobago) presiding, along with the other Co-chair, Artur Runge-Metzger (the European Union). The Party groupings made their views heard on their expectations for Lima under the ADP, with many of the developing country groupings stressing the need for changes in the mode of work from previous sessions in order for Parties to directly engage in text-based negotiations with each other.

To assist Parties in Lima, the ADP Co-chairs had prepared a 'non-paper' on elements for a draft negotiating text for the 2015 Paris agreement (which is to come into effect post-2020) and a draft decision text on advancing the Durban Platform. This draft decision text includes matters regarding the Paris agreement, the intended nationally determined contributions (INDCs) for that agreement, as well as the pre-2020 climate actions.

In the afternoon of Tuesday, Parties met in a contact group setting to first discuss the draft decision text and then proceeded to meet in two parallel sessions to consider the elements on 'adaptation' and 'finance' in relation to the Paris agreement contained in the non-paper.

Given that there were many countries still remaining that wanted to take the floor when the parallel sessions ended, the ADP will continue consideration of these elements when they meet again on Wednesday 3 December, in addition to the 'mitigation' element, as well as the draft decision text.

Contact group discussion on the draft decision text

The contact group on the draft decision text was facilitated by Runge-Metzger, who invited Parties to consider paragraphs 1-3 of the text in the non-paper, relating to the Paris agreement. He called on Parties to speak to the specific paragraphs and indicate how to improve the texts and 'negotiate with each other and not with the Co-chairs'.

Malaysia, speaking for **the G77 and China**, said that the Group had called for text-based negotiations. Responding to Runge-Metzger, it wanted clarification on how the comments and views of Parties were going to be captured and how the improved text will be constructed.

To this, the Co-chair responded that when Parties make suggestions on the text, the secretariat will capture suggestions and on that basis, Parties' views will be reflected in 'improved texts'. If there are objections to proposals, Parties can also respond to that on how to 'fix it'.

Some Parties then began to make proposals on textual changes in relation to paragraphs 1-3 of the draft decision text, while others expressed concerns over the mode of work and wanted the texts and changes proposed to be reflected on the screen, so that Parties could react to the proposals made.

Algeria, for **the Arab Group**, called for texts on the screen and for proposed changes by Parties to also be reflected.

Echoing similar concerns, China said that the approach for the past one year has not been real negotiations and added that it was concerned by the Co-chair's proposal that the 'secretariat takes notes' of the proposals by Parties and 'take it back home to cook in your kitchen'. It supported the Arab Group and called for a 'common construction of texts on the screen'. China also wanted to clarify that it 'cannot be taken for granted that the revised decision text would be the basis of textual negotiations', as there were also conference room papers which had been submitted (by Parties) which have not been captured in the draft decision text. It said to the Co-chair that 'your text is your text and not an outcome of a Party-driven process'.

Saudi Arabia, speaking for **the Like Minded Developing Countries (LMDC)**, agreed with Algeria and China on the process and said that the text was 'unbalanced and needs to be balanced'. **Iran** supported the LMDC views and called for reflection of texts on the screen so that all Parties can understand what is happening and stressed the importance of transparency in the process.

Sudan for **the African Group** said that since some Parties were making proposals for textual changes, it wanted to see the texts on the screen.

In response to this, Runge-Metzger said that 'we will get to that stage.' **Sudan** then said that it wanted an assurance that Parties' proposals will be reflected on the screen.

China then took the floor again in support of the African Group to say that there have been no objections from anyone to having the texts on the screen and wanted the specific proposals made by Parties to be seen so that Parties can react to them.

It also expressed concern that no reactions to the proposals may be viewed as acceptance by silence. It sought clarity on whether the Co-chairs are going to present texts on the screen, reflecting the proposals of all Parties.

In response, Runge-Metzger said that 'we will not misconstrue areas where we cannot see convergence or consensus. This is not the last time to go through the text. We are choosing this methodology of work for the next four days so that it is clear where the sticky points could be and then the text can come to the screen', and 'we can go chunk by chunk'. He was concerned that if the process starts with texts on the screen, Parties may be stuck on one paragraph and may not know how to deal with other paragraphs below. He said that Parties need to go through the entire text to give views on the different parts.

Nicaragua supported the call for texts on the screen through focused negotiating groups to 'narrow differences and find consensus'. It added that if the agreement is to be applicable to all, it must be acceptable to all through negotiations and not intermediation.

Jordan supported the views of Algeria and Saudi Arabia. **Venezuela** said that the draft decision prepared by the Co-chairs reflects the Co-chairs' understanding of proposals by Parties. It also wanted to see texts on the screen.

Runge-Metzger in response said that if Parties did not like the Co-chair's text, they could 'throw it away'.

Pakistan supported the views of China and wanted a 'common construction of the text for transparency', adding that 'there are precedents' for this approach.

Egypt asked if there were technical issues for not having texts on the screen.

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

3 December 2014

SBSTA: No Agreement on Role of Markets; Mandate Questioned

Lima, 3 December (Kate Dooley) – Discussions on market and non-market mechanisms under the Convention opened in a contact group on Monday, 1 December under the Subsidiary Body for Scientific and Technological Advice (SBSTA) agenda items 12(a) on Framework for Various Approaches (FVA), 12(b) Non-market-based Approaches (NMA), and 12(c) New Market Mechanisms (NMM).

Discussions revolved around the question of whether this agenda item has a mandate or not, with Brazil, China and Tuvalu arguing that as there is no mandate from the ADP on the role of markets in the 2015 agreement, discussions around accounting rules (which are for the purpose of compliance) could pre-judge negotiations in the ADP. Brazil and China were clear there was no mandate to discuss issues related to the ADP in the SBSTA, and Tuvalu noted that this agenda item has always suffered from being a hypothetical discussion, as there is no clear home for the outcome.

Immediately following the three contact groups, the Secretariat presented the technical papers each of the agenda items, which had been prepared in accordance with the draft conclusions on these items from SBSTA 40, and based on submissions from Parties. The technical papers are available here: http://unfccc.int/meetings/lima_dec_2014/sessi_on/8499/php/view/documents.php and the Secretariat's presentation will also be available on the UNFCCC website.

The contact group for all three agenda items was chaired by Co-chair Mr. Peer Stiansen (Norway), as Co-chair Ms. Mandy Rambharos (South Africa) had not yet arrived in Lima.

Stiansen opened each contact group by explaining that the intention was to come to a decision on these agenda items in Lima, noting that progress here may provide valuable guidance to the ADP, while taking care the outcome would not prejudice the ADP negotiations. Highlighting the limited time allocated for work under the SBSTA, Stiansen asked Parties to focus on two questions – substantive outcomes from this agenda item in Lima, and focus of work in 2015 to deliver on this agenda

item in Paris. Drawing Parties' attention to the many submissions made since SBSTA 40 in June on all three agenda items, as well as the technical papers presented by the Secretariat to base work on, the Co-chair opened the floor for comments from Parties.

Framework for Various Approaches (FVA)

The European Union (EU) took the floor first to say it supported the approach put forward by the Chair, and would like to proceed on drafting text, but reaching a decision would require further time to be allocated to this agenda item.

Bolivia said that it was open to discuss in a constructive manner, but was not comfortable with the Co-chairs' proposal to proceed on drafting text, saying the existing draft decisions and technical papers leaned towards market mechanisms and did not reflect their views on non-market approaches.

Panama said the focus should be on progress on technical aspects – extensive understanding of this would be needed in order to reach a simplified decision, while **Egypt** said there are many questions regarding scope and many Parties' submissions have not been properly reflected in the technical paper. **Switzerland** on behalf of the **Environmental Integrity Group (EIG)** also noted that not all views are reflected in the technical paper and discussions on substance should also take into account the submissions.

Brazil called for a (theoretical) discussion on scope of the FVA rather than substantive outcomes, given there is no mandate from the ADP to guide substantive outcomes. It said in the absence of such a mandate, assumptions around the scope of the FVA could be questioned, noting that if the FVA is supposed to operate for the purpose of accounting, accounting is for the purpose of compliance – compliance is related to legally binding commitments, and so it is not possible to work on an accounting basis for legally binding commitments that are not there yet. It suggested this group could have a discussion based on theoretical scope but that may not lead to an outcome.

Japan noted this group is mandated by Decision 1/CP.18, so with a clear mandate, the scope of approaches for the FVA and the accounting rules for all units to be transferred can be decided here in Lima.

New Zealand, the United States and Australia supported Japan that this contact group has a clear mandate and a basis for further work on progress made in June, with the US noting that what we do here may inform the ADP or not, but what happens under SBSTA is a matter for SBSTA. **Norway** and **St Lucia** said it is inevitable this agenda item will relate to the ADP, and the important thing is to ensure environmental integrity on the role of the FVA in relation to the UNFCCC.

China noted that the mandate for this group comes from the AWG-LCA, not the ADP and hence there was not a mandate to deliver for Paris. For Lima, China noted the technical paper developed by the secretariat, with many options for each issue and said an exchange of views on these topics could be useful.

Co-chair Stiansen closed the session by saying on the basis of this discussion it was a little hard to conclude where to go next, but as there had been a number of requests to proceed on the basis of texts, he would aim to come up with a proposal for the next session, which would trigger further discussion on what is possible and what is not possible.

Non-market approaches (NMA)

Bolivia took the floor first to respond to the Co-chairs' question regarding substantive outcomes for Lima and work for 2015. It said a draft decision with a clear conceptualisation and operationalisation of the NMA should be closely related to the other agenda items, with clear links between decisions. Bolivia clarified several concepts presented in its submission on a climate-resilient and sustainable development mechanism coming out of the NMA, including:

- The mechanism should be in the context of the Convention and also the recommendations of the IPCC.
- NMA are those that foster and help to achieve sustainable development combining mitigation and adaptation.
- Units created under NMA are not transferable – they are not for trading – but they are units to enhance mitigation ambition in complementary action under Article 4.7.
- Scope must go beyond narrow thinking about cost-effectiveness of mitigation actions, on issues that combine mitigation, adaptation and sustainable development, to provide co-benefits.
- Sustainable patterns of consumption and

productions as highlighted in the IPCC are a central part of the proposal.

- Includes support for monitoring outcomes of sustainable development actions to mitigation and adaptation through qualitative and quantitative reporting under the Convention.
- On operationalisation, Bolivia noted the creation of this mechanism is an international mechanism promoting and supporting national initiatives, and does not operate only at the national level.

Bolivia said it wants to see a clear relationship between NMA and the FVA, adding that the FVA is not just related to rules for transaction of carbon units, so further clarity is needed on the conceptualisation and relationship between NMA and the FVA.

Switzerland on behalf of **EIG** noted that progress on text for NMA could be made here based on submissions received and the Secretariat's technical paper.

The EU noted that non-market approaches already have an important role under the Convention, and did not want to duplicate existing work, but discussions to further clarify the NMA would be welcome.

Panama suggested that phase 1 and phase 2 of REDD-plus is a good example of a non-market mechanism.

Co-chair Stiansen closed the session saying that the Co-chairs will try to come up with a draft text and conclusions based on submissions, the technical papers and interventions in this session, and discussions in the next informal would continue on the basis of the proposed text.

New Market Mechanisms (NMM)

Brazil opened discussions on the two questions proposed by the Co-chair (substantive issues for Lima and work for 2015), by suggesting a paper showing the divergence in views might be a helpful starting point to move forward.

Switzerland on behalf of **EIG** said market mechanisms are an important part of the climate regime and it would like to focus on specifications of modalities and procedures for the NMM.

The EU said it would like the opportunity to have a substantive discussion and would welcome draft text to work towards a decision in Lima, and **Australia** said that discussing scope and discussing substantive issues are not mutually exclusive.

Brazil again raised the issue of the lack of mandate, which it had raised in the FVA contact group. Brazil said it would be willing to work on modalities for an NMM under an ADP mandate, but there is no such mandate and it would not like to comment on the work of the ADP without being asked to do so. Brazil suggested a way forward was

for a SBSTA decision in Lima that the NMM that was defined by Decision 2/CP.17 should be established under the new agreement, although as market mechanisms are not one of the draft elements of the ADP, this could not be discussed under the ADP in Lima.

The US suggested the group could make progress on the elements of the NMM without prejudging the ADP, and then the technical advice from SBSTA would be ready when the ADP is ready for it.

Bolivia raised objections to going forward with the NMM as it is requesting a moratorium on the establishment of new market-based mechanisms. Bolivia said that this issue is closely related to the ADP, and it will maintain its position of a moratorium on the NMM in SBSTA, while being open to new developments under the ADP.

Panama invited Brazil to discuss its proposal to the ADP for a 'CDM+', but Brazil said this was a submission to the ADP, and hence it was not appropriate to discuss in the SBSTA. Brazil noted that they do not know if this will be considered by the ADP, or if there will be scope to have such an approach as part of the elements of a new agreement.

The EU suggested that while it did not want to trespass into the scope of the ADP, it would be useful to have a conversation on the FVA and NMM that helps to prepare for an eventual request from the ADP.

Tuvalu suggested that this agenda item under SBSTA has always suffered the problem of being a hypothetical discussion. It noted there is no mandate to place this anywhere, and we do not know if there will or will not be a mandate from the ADP or if there is to be an NMM.

China noted that it was very clear there was no mandate from its delegation to discuss any issues related to the ADP in this SBSTA agenda item.

Panama suggested the CMP decision from Durban provided for units generated from an NMM to be used by Parties to meet obligations under the second commitment period of the Kyoto Protocol, so there was a clear mandate to develop the NMM. **Tuvalu** responded that the issue remains as to how such units under an NMM are created. To establish an NMM for pre-2020 use would require an amendment to the Convention. Currently the Convention does not allow for that to occur, so the group remains stuck in a hypothetical discussion as we do not have a process for amending the Convention.

Co-chair Stiansen concluded the session, noting that it was a challenge working without guidance from the ADP, but there is a mandate from Doha. Stiansen said he would discuss with Co-chair Rambharos after her arrival, and would try to develop text as a constructive way forward to be used in the next session. Stiansen invited Parties to submit suggestions at mechanisms.int@unfccc.org

The contact group will meet again on Wednesday, 3 December.

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www.twn.my

Published by
Third World Network

4 December 2014

ADP: Crisis over Method of Work on Draft Decision Text

Lima, 4 December (Meena Raman) – A crisis has erupted in the contact group under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) on the method of work to be adopted in advancing work on a draft decision text to be adopted in Lima.

[The draft decision text prepared by the ADP Co-chairs includes matters regarding the 2015 Paris agreement, the intended nationally determined contributions (INDCs) for that agreement, as well as the pre-2020 climate actions.]

A ‘friends of the chair’ meeting to find a way forward to advance the work after the contact group session on the evening of Wednesday, 3 December failed to find a solution. This meeting was convened by the ADP Co-chairs at the suggestion of some Parties.

At the contact group to consider the draft decision text held on Wednesday afternoon, many developing countries once again urged the ADP Co-chairs to project on the screen, the relevant paragraphs under consideration as well as the changes that were being proposed by Parties to that text, so that they could understand what was being proposed and how to react to them.

This call for text-based negotiations on the screen had also been made a day earlier on Tuesday by many developing countries and their groupings. (See http://www.twn.my/title2/climate/news/lima01/TWN_update6.pdf).

Following the interventions by **Argentina** (who had a lengthy presentation providing the rationale for texts on the screen for the consideration of Parties) and **Algeria (speaking for the Arab Group)** who also called for texts on the screen, the ADP Co-chair, Kishan Kumarsingh (Trinidad and Tobago), who presided over the session along with the other Co-chair, Artur Runge-Metzger (the European Union), initially responded by asking Parties who had textual changes to email them to the secretariat so that they could be uploaded onto the UNFCCC website in real time.

This was followed by interventions on textual changes (in relation to paragraphs 1-6 of the draft text) from several Parties including **China, India,**

Brazil and **Kenya** who also expressed concerns about the process and wanted texts to be reflected on the screen. On the other hand, several developed countries including **the United States, Norway** and **Switzerland** expressed comfort with the way the Co-chairs were conducting the work and proceeded to provide their suggestions for textual changes.

South Africa raised a point of order saying that it was unclear where the Co-chairs were taking Parties. It said that developing countries had called for texts on the screen and did not have the resources to keep up with all the suggestions being proposed. It said that in a ‘methodical way’, developed countries seemed to be able to counter every point made by developing countries while this could not be done by developing countries. South Africa said it had difficulties with the process and if Parties could not participate as equals in the process, trust was being eroded rapidly and it was concerned as to how this trust could be recovered in the process.

In response, Kumarsingh said that the textual comments of Parties have been sent to the secretariat and were being posted on the website and if Parties could not access the site, it would be posted on the screen in the conference room and this was being organised.

Egypt expressed the same difficulty as South Africa and asked for clarification as to whether the whole text was going to be projected on the screen with the changes being proposed or only those suggestions that were received electronically from Parties.

At this juncture, **Nigeria** also expressed unhappiness as it expected ‘a ruling’ regarding putting texts on the screen as South Africa had raised a point of order. Before embarking on any further discussions, it hoped for texts to be on the screen, as it too had difficulties in following the negotiations.

In response, Kumarsingh said that it would be good to ‘have a discussion on consensus’. In response to Egypt, he said that what the screen will show are ‘submissions given by Parties’, adding that the European Union, China and Australia had sent their proposals to the secretariat.

Nigeria then said that the document that Parties were considering is the draft decision text and not the submission by Parties and reiterated its call for that text on the screen.

Cuba then took the floor to say that it supported the views of South Africa and wanted to see the draft text on the screen first, followed by the proposals by Parties to the text.

Tuvalu also said that it was having trouble following what Parties were proposing on the text, adding that for LDCs, English was not their first language. It said normally, Parties could be asked to give general views without specific textual changes or to provide textual changes and to have them incorporated in the text.

In response, Kumarsingh said that the Co-chairs were proposing the first modality (where Parties provide their general views). (On Tuesday, the other ADP Co-chair, Runge-Metzger, had invited Parties to consider paragraphs 1-3 of the text and called on them to speak to the specific paragraphs and indicate how to improve the texts.)

Kumarsingh also said that all the proposed changes to the texts could not be done now but that 'we will put the entire document on the screen with all proposals and go line by line, and word for word'. In the meantime, he appealed to Parties to hear the specific proposals of Parties to the text.

Nigeria proposed that given that there were only six minutes left to the end of the session, the meeting should be adjourned so that the text can be on the screen for all Parties to follow the discussions.

Kumarsingh was about to adjourn the meeting when **the United States** took the floor to say that it would prefer a general reading of the entire text and to have a sense of where Parties are coming from and not go with line-by-line discussion as this was 'pretty unusual'.

Kumarsingh said that there was no consensus on how to proceed. He then proposed that 'we incorporate texts as suggested by Parties and proceed on the text'. This will take time but this is what Parties want, he added.

Tuvalu then proposed the convening of a 'friends of the chair' to consider the best way forward.

New Zealand spoke in support of the US and the proposal for a 'friends of the chair' on the way forward and was reluctant to get into a line-by-line negotiation as 'this would not be helpful'.

Pakistan in response said that what Parties are discussing is a 'legal text with legal implications'. It was therefore imperative to have texts on the screen and that in other meetings Parties have done line-by-line negotiations.

Egypt expressed support for Kumarsingh's last proposal.

Mexico preferred a general reading of the text and not enter into a line-by-line consideration.

Kumarsingh in response said that the Co-chairs had initially proposed a general reflection of the text and for them to come back with an 'improved version' which did not find agreement among all Parties.

China responded to say that Parties were not very far apart in their views (on the process) as the Co-chairs might think. It was a 'misreading of the house' to think that Parties want line-by-line or word-by-word negotiations on the screen, it added. What Parties are requesting is for transparency and for non-native English speakers to understand more clearly the proposals on the table so they could have an appropriate response. It added further that what Parties are saying is that the specific suggestions or amendments to the Co-chairs' text are put on the screen, so that Parties could react to them. 'Instead of putting the feelings of the house in two far extremes', the Co-chairs should bring Parties closer. It was not suggesting 'a line-by-line or comma-by-comma' negotiations. What was being asked is for transparency and clarity on the proposals for amendments to the Co-chairs' text. After the initial reactions, the next stage could involve 'line-by-line, word-by-word' negotiations on the screen. China suggested to the Co-chairs that 'from tomorrow, put your text on the screen and ask the secretariat to type in the specific proposals made' so that Parties can have their own reflections.

Singapore said that it was not asking for a 'compilation text' but what Parties are trying to grapple with is a 'consolidation of proposals being made' for clarity and understanding.

Pakistan agreed with China, adding that compilation or consolidation of proposals is the first step and that line-by-line negotiation is the next step and this is established practice in the United Nations system. All proposals need to be reflected, it added.

In response to Pakistan, Kumarsingh said that this was what was suggested before by the Co-chairs for 'improved texts'.

Cuba said that it could proceed as China and Singapore had suggested.

South Africa agreed with China that Parties were not far apart and supported the idea of a 'friends of the chair' process to assist on the way forward.

Kumarsingh then adjourned the meeting and asked Parties who were interested to meet the Co-chairs as 'friends' after the meeting at 6.45 pm.

According to sources, the 'friends of the chair' meeting did not reach agreement on a way forward and another meeting of the 'friends' is to take place at 10 am, Thursday, 4 December. It seems that the US was concerned about the ballooning of the decision text.

TWN

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www.twn.my

Published by
Third World Network

4 December 2014

SBSTA: REDD+ Safeguards Standoff, Support for Alternative Non-market-based Approaches

Lima, 4 December (Kate Dooley) – There was much disagreement among Parties on the need for negotiations to continue on safeguards, while some Parties expressed support to consider alternative policy approaches to REDD+.

Under the guidance of Co-chairs Stephen Cornelius (United Kingdom) and Robert Bamfo (Ghana), Parties met on 2 and 3 December to discuss the need for further guidance on transparency, consistency, comprehensiveness and effectiveness when informing on how all the safeguards in Decision 1/CP.16 Appendix 1 are being addressed and respected, as well as to continue consideration of the development of methodological guidance on non-market-based approaches.

Some Parties saw the need to develop further guidance on summaries of Safeguards Information Systems (SIS), while other Parties were concerned that additional guidance at the multilateral level represents increased burden and costs for REDD+ countries, with no guarantee of results-based finance. The European Union (EU) and others stressed that information increased confidence and credibility of financial payments for REDD+.

Bolivia also presented a conference room paper (crp.1) on the joint mitigation and adaptation approach for the integral and sustainable management of forests. While Norway, the EU, Australia and the US said they did not see this text as a basis for negotiations, Brazil, Colombia, Ecuador, Switzerland, India and Indonesia said that they could see potential to move forward with this work, possibly in a new agenda item or somewhere else not related to REDD+, as Bolivia's proposal was much broader than REDD+ and encompassed adaptation.

In the opening contact group on Tuesday, 2 December, **Co-chair Bamfo** opened the floor to Parties asking them to express their views on safeguards, particularly encouraging Parties who had not made submissions.

The Philippines kicked off discussions by saying that further guidance is needed to ensure

transparency and consistency, and to provide guidance on the minimum information requirements and what types of information would be required. The Philippines said that harmonising reporting requirements would lower the reporting burden for countries. It also raised the issue of participation, saying that the current guidance does not talk about participation in SIS, and there is a need for explicit guidance on the inclusion of stakeholders, especially indigenous peoples, both in designing the system and in providing information. Clarification is also needed on how SIS links to measuring, reporting and verification (MRV), and the provision of results-based finance.

Ghana on behalf of the **African Group** said that safeguards are important to prevent negative environmental and social impacts, and noted that the Cancun safeguards are simple, easy to understand and country-driven. It said that the African Group is not of the view that additional guidance is needed, saying that what is most important now is to implement safeguards, and conduct a review in the next few years to determine if additional guidance is required.

The European Union (EU) said that the mandate related to safeguards is twofold – looking both at the types of information required, and consideration of the need for further and additional guidance to ensure transparency. The EU noted the importance of these aspects, as information on countries' SIS gives assurance to institutions that are financing REDD+ activities.

Bolivia said that it did not endorse the Cancun agreement where safeguards were included, but since COP 19 (in Warsaw in 2013) opened the likelihood for appropriate market approaches that could be developed by the COP, Bolivia considers that a stronger safeguards framework is needed for countries that are willing to utilise market-based approaches.

The United States (US) said additional guidance on SIS would be most useful now when Parties are in the early stages of developing these

systems. It said that Parties have never developed clear guidance on the types of information to be provided, and submissions provide a lot of good information to draw on. **The US and Norway** supported the EU proposal to give the Co-chairs a mandate to start working on text. **Japan** said further guidance would promote better commitment to the safeguards, and a template form could be developed for REDD+ countries to provide information, and could be continually improved.

Guyana said that the safeguards decision in the REDD+ package has never been implemented, yet even before implementation we are considering revising. Guyana said it did not believe further guidance was needed at this point in time, and supported the African Group view that the priority now is to direct efforts to implementing all elements of the REDD+ framework and then review what works and what improvements are needed. Guyana also referred to the need for linkages between the REDD+ package and the Results Management Framework (RMF) in the Green Climate Fund (GCF).

Panama on behalf of the **Coalition for Rainforest Nations (CfRN)**, as well as **Tanzania, Fiji, Colombia, China, Thailand, Mozambique** and **Indonesia** supported the African Group and Guyana, saying that now is the time for implementation of REDD+, rather than to develop further guidance. **India** said it has regard for safeguards, but there is no need for additional guidance because Cancun and Durban gave enough guidance to countries to develop their own SIS systems, in accordance with their national circumstances.

Cameroon, speaking on behalf of the **Commission des Forêts d'Afrique Centrale (COMIFAC)**, also aligned itself with the African Group and other Parties, and suggested that harmonisation could best be made at the national level through Strategic Social and Environmental Assessments.

Brazil said that the Warsaw Framework for REDD+ has concluded the negotiations phase of REDD+ and now countries have moved to the implementation phase. It said that, like other countries, it is moving forward to full implementation of REDD+, and its SIS is currently under public consultation, recognising the importance of safeguards for the implementation of REDD+. Brazil said the issue for this SBSTA is whether further guidance is needed at the multilateral level to ensure comprehensiveness, consistency and effectiveness, posing the question that such a requirement was to assume developing countries are not being transparent. As there was no reason to believe developing countries are not being transparent and effective, Brazil suggested there is no need for further

guidance, and that the issue of further guidance could be seen as a barrier to obtaining results-based payments for REDD+.

Peru encouraged Parties to find common ground, and **Sudan** said additional guidance is very important to help provide an in-depth analysis of social and environmental issues which can help in reducing risk in the implementation of REDD+.

Costa Rica observed that this continues to be a very theoretical discussion, as REDD+ is in very early stages, and so this issue should be discussed after REDD+ countries have gained more experience in the field. Costa Rica said it is fully aligned with the need for transparency and consistency on the need for reporting on safeguards from REDD+, and **Guyana** conceded that it was feasible to conclude work at this session on what type of information could or should be provided, and hence it was willing to support the EU for a Co-chair mandate to prepare draft text.

With seven minutes to go until the end of the session, the Co-chairs introduced the second part of the agenda item, to continue its **consideration of the development of methodological guidance on non-market-based approaches**. As Bolivia had submitted a conference room paper on this (FCCC/SBSTA/2014/crp.1), the Co-chairs invited Bolivia to present its proposal.

Bolivia explained its proposal is trying to move the debate forward regarding methodological guidance for non-market-based approaches such as the Joint Mitigation and Adaptation mechanism (JMA). Bolivia said it has taken into consideration different proposals from Parties in order to enable a meaningful outcome on this issue in Lima. It reminded Parties that since Cancun, it has requested an alternative approach to REDD+. In Warsaw, Parties reached an important decision to reflect balance in the process in paragraph 8 of Decision 9/CP.19, on supporting alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests.

Bolivia reminded Parties that they have requested SBSTA to analyse guidelines on non-market-based approaches. It noted that, for some, additional guidance on non-market-based approaches is not needed because REDD+ is also considered a non-market approach, and the Warsaw framework on REDD+ is considered enough guidance for implementation of market and non-market-based approaches. Other Parties felt this should be a new agenda item. In this new proposal, Bolivia suggested to move forward in this debate and paragraph 7 of document (FCCC/SBSTA/2014/crp.1) provides a simple framework for the methodological guidance needed for JMA, in the form of three key guidelines:

- The promotion and support to the integral and sustainable managements of forests, ecosystems and environmental functions taking into account the holistic views of indigenous peoples, local communities and local resource users about environment and Mother Earth, and the achievement of gender equality;
- Identification of financial needs for joint mitigation and adaptation actions, as a non-market-based approach, including ex-ante financing, technological support and capacity building;
- Monitoring and evaluation carried out through the use of quantitative and qualitative information, as appropriate.

Bolivia said it thinks the simplicity of this guidance can help unblock the discussion on additional guidance for non-market-based approaches and it looks forward to a constructive discussion for a meaningful outcome in Lima.

The US responded that it would not be able to accept the crp.1 paper as a basis for negotiation.

The Co-chairs then closed the session which had run overtime, encouraging Parties to get together to discuss Bolivia's proposal. The Co-chairs said they would provide a draft text on additional guidance of the summary of SIS, which would be on the UNFCCC website by 11am on Wednesday (@unfccc.int/8696).

Wednesday 3 December

The Informal Consultation on agenda item 6 under the SBSTA on Wednesday, 3 December started with countries providing their views on the proposal presented by Bolivia the day before on developing guidance for non-market alternatives to REDD+.

Bolivia opened the discussions by saying that they had heard some reservation about their proposal, but were looking forward to a constructive discussion.

The US said that all REDD+ countries can develop an approach that is best for them, and there are many different strategies emerging. The US said it is happy to see different types of finance going to different approaches, including linkages to adaptation funding, and noted that most forest finance currently is non-market. Hence the US said it did not see the need to develop new approaches, as flexible approaches are already available.

Brazil again stated that the REDD+ mandate has been fulfilled in Warsaw, which includes non-market-based approaches, hence it is not the issue of non-markets, but the issue of alternative policy approaches is important. It said that Bolivia's proposal establishes the difference between REDD+ and further policy approaches and between market and non-market-based REDD+. Brazil said that

while it agrees that the Warsaw Framework is broad and flexible enough to apply to all Parties, it does not see this as the only way to finance forests, and said that Bolivia's proposal was a good starting point to understand the difference between alternative policy approaches and REDD+.

Norway thanked Bolivia for a proposal that it said has developed further since the last negotiation session in June. Regarding non-market-based approaches, Norway said it thinks the current guidance on REDD+ already encompasses non-market-based approaches, and that there is funding available under the GCF and Global Environment Fund (which refers to JMA approaches to the land sector). Norway said it does not see any need to agree on further guidance on alternative policy processes, and does not see the crp.1 paper as a basis for further discussion. **The EU** and **Australia** aligned themselves with the position of the US and Norway.

Colombia and **Ecuador** thanked Bolivia for the effort and flexibility demonstrated with the new paper, noting that different national policies may lead to alternative approaches, and as recognising those differences is important, both countries invited Parties to further discuss this issue on the basis of Bolivia's proposal.

Switzerland on behalf of **EIG** said that it could see this new proposal from Bolivia was broader than REDD+, and that it belonged outside of the SBSTA discussions to consider adaptation as well. Switzerland suggested that a new agenda item that is broader than REDD+ could discuss this as well as non-carbon benefits.

India, supported by **Indonesia**, said it supported Bolivia's concept that all ecosystem services that are supported by forests are important, but it was concerned about linking REDD+ with other ecosystem services. India supported Switzerland in discussing these issues, but separate from the subject of REDD+.

Co-chair Cornelius wrapped up the discussion by saying that they hear some Parties saying Bolivia's proposal is not perfect but they can work with it, and other Parties saying they cannot accept the crp.1 paper as the basis for further negotiations. Cornelius suggested that more work needs to happen behind the scenes and Parties can see if further advances are possible tomorrow.

Co-chair Bamfo then opened the floor for comments on the draft conclusion text on further guidance for the summary of information on SIS. He clarified that the Co-chairs were seeking general comments, and after a request from Colombia spent a few minutes summarising the draft text, which included an agreement that no further guidance is needed on the matter (of SIS) at this time, and that the need for further guidance would be considered after Parties had gained experience.

Norway said it was disappointed by the text as it did not see the views provided by Parties reflected. Norway said it was willing to work with other Parties to strengthen this text, but would prefer to see that happen in a decision text and not a draft conclusion text. It reminded the Co-chairs that a number of Parties had raised views on the need for further guidance and this is not reflected in the draft conclusions.

India considered the draft conclusions presented to be in line with views expressed, and said that it would like this whole process to come to an end, so the finality of what Parties agreed to in the Warsaw Framework comes to an end.

Co-chair Cornelius noted that the group was out of time, but said there was some appetite for working on the text, either as SBSTA conclusions or

a draft decision text. Cornelius suggested that, in line with procedures for COP 20, Parties could come together in an un-facilitated discussion during the evening, for which a room had been reserved. He emphasised that the Secretariat and Co-chairs could not be present or facilitate the discussions after 6 pm.

Brazil suggested that if Bolivia had been advised to talk to other Parties on their proposal, that this could also happen during the un-facilitated evening discussions. **Co-chair Cornelius** responded that it was up to Parties what they discussed, but he recommended prioritising issues on which the most progress could be made.

The Co-chairs then closed the session, announcing that the next informal consultation would be held on Thursday, 4 December at 11 am in room C6 – Huarez.

TWN

Lima News Update

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Published by
Third World Network

4 December 2014

CMP: Informal Consultations by COP Presidency on Way Forward for 'Revisit Mechanism'

Lima, 4 December (Hilary Chiew) – Developed country Parties could not agree to the proposal of developing countries on the need for a contact group to discuss the issue of revisiting the ambition of Annex I Parties to the Kyoto Protocol.

The Group of 77 and China (G77-China) has requested for a contact group during the deliberation of agenda item 2(e) on *Status of Ratification of the Doha Amendment to the Kyoto Protocol* at the resumed meeting of the 10th session of the UNFCCC Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP10) on 3 December.

Presiding over the meeting that started at noon, COP President Manuel Pulgar-Vidal said he would consider the intervention when the next agenda item 8 on *Report on the high-level ministerial roundtable on increased ambition of Kyoto Protocol commitments* is taken up.

(There was also no agreement to an earlier proposal of the Russian Federation to set up a contact group on decision-making in the UNFCCC process addressed in the agenda of the COP. See below for details.)

Representing **the G77-China, Bolivia** said the Group has presented a letter which reiterated that it expected Annex I Parties under the Kyoto Protocol (KP) to revisit their ambitions for the second commitment period, consistent with the Doha Amendment (a decision of CMP 8).

Citing confusion and the lack of clarity over the purpose and scope of the contact group, Australia, New Zealand and the European Union (EU) responded that they are therefore not ready to agree to the establishment of a contact group but are prepared to consult for a way forward.

Pulgar-Vidal said he had heard the Parties' views around this item and proposed that he will personally undertake informal consultations and report back to the plenary.

Bolivia then sought clarification if the informal consultation will be about the establishment of a contact group.

Pulgar-Vidal replied that the consultation is going to be around the different positions of the Parties on this item and stressed that he will personally undertake the informal consultation.

To this, Bolivia reiterated that the Group's proposal is for a contact group.

The COP President requested for two minutes to consult the secretariat and later announced that he would personally consult the various Parties on the way forward for a contact group.

In its intervention, Bolivia reminded that the Doha Amendment for the second commitment period of the KP was a political compromise and Annex I Parties must take it seriously to close the mitigation gap. It said that the matter is critically important to demonstrate Annex I commitment in the pre-2020 period and towards achieving an outcome in Paris. It wished to emphasise the Group's disappointment and concern that none of the Annex I Parties has declared an intention to increase their commitment. It therefore proposed the setting up of a contact group to make necessary arrangements to increase ambition before it is too late.

Voicing its support, **China** said Parties should all remember that at the Doha conference (in 2012) developing countries were deeply concerned with the low emission targets from developed countries. But to promote the multilateral process the developing countries had shown flexibility and constructiveness under the pre-condition that developed country Parties accept such commitments to increase their ambition by the setting up of the revisit mechanism.

It said the June ministerial session was a starting point but would like to now call on developed countries to report to the CMP on whether they will increase their emission reduction targets as well as work to be carried out for the increase of emissions reduction.

China further said it would propose that the review of the second commitment period (CP2) be included in the agenda of the CMP until it is appropriately resolved. And to reach a reasonable

solution, it would support the setting up of a contact group to further promote this mechanism to ensure that developed countries increase their ambitions.

Cuba said there is an important link between the Doha amendment in relation to CP2 and the negotiation for the 2015 agreement. Parties need a clear expression of that commitment and raising of ambition for the pre-2020 period. Therefore, at this crucial stage, it supports the contact group idea ‘as we know the level of ambition is not sufficient’.

South Africa supported setting up the contact group under the CMP to come up with a draft decision to ensure that we can still discuss this issue on the revisit mechanism. It said there is still scope and room for KP Parties to increase their respective levels of ambition, pointing out that the KP is not just a set of well-crafted rules that exist but that it gives assurance that Parties will work towards meeting their commitments.

Saudi Arabia said we need to continue our journey started a long time back in 2005 that has gone through so many years. We need to build on the political momentum in June and with the leadership of the Peruvian (COP) Presidency, we need to continue building on that momentum to increase the ambition. It fully supports the establishment of a contact group to increase the level of ambition.

India said the importance of the KP and its CP2 cannot be overemphasised especially for the pre-2020 ambition and would need significant scaling up of ambition by KP Parties. It stressed that this future action of CP2 needs to be captured clearly and a roadmap laid down especially at this juncture of the post-2020 agreement as the confidence-building requires that this issue be discussed further. It too supports the formation of a contact group in order to move forward on this agenda item.

Egypt and **Iraq** also added their voice to support the establishment of a contact group and shared the views of the G77-China and other developing countries’ intervention.

Australia said it is a little confused about the proposal as it has not had the opportunity to see the (G77-China) letter yet. It is not clear of the purpose of the contact group, whether it is just to follow up on the high-level segment or it is about the question of ratification or other broader issues of the pre-2020 mitigation ambition. Due to this, it is not ready to agree but is ready to consult for further clarity.

New Zealand said it shared the concern of Australia as it too has not seen the letter and is not clear of the purpose and scope of the proposed contact group. It will not be ready to agree to it at this time but it is, however, ready to consult to find a way forward.

The European Union said it is already implementing legislation on its targets and is well on track to perform its commitment and it is

determined to complete the ratification as early as possible in 2015. It said there is a need to focus on the necessary legal matters (back home) in preparation for the 2015 agreement. It wanted to avoid proliferation of more issues hence it does not see the need for a contact group at this moment. It also associated with Australia and New Zealand that the G77-China’s proposal is unclear.

The Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), Christiana Figueres, told the plenary that two years after the Doha Amendment, CP2 is still not able to enter into force. Currently there are 19 instruments of acceptance and 125 more Parties’ ratification are needed. She said many Parties consider the KP does not answer the challenge of ambition hence now the dedication to constructively construct a new agreement that is applicable to all. However, she reminded that Parties did adopt the Doha Amendment, in part, that is to have the legally-binding instrument to take us to 2020. She said governments should not just adopt but must implement the decision so it would be good to give a sign that when a legal instrument is adopted, it goes into force.

COP meeting on 3 December

Earlier at the resumed meeting of the COP, Parties dealt with the agenda item 19(c) on *Decision-making in the UNFCCC’s process* which has come to be known as the ‘Russian proposal’.

Parties could not agree to the setting up of a contact group for this agenda item and preferred that the matter be discussed in the informal consultation format.

The agenda item was considered at the Warsaw COP last November following a proposal from Belarus and the Russian Federation. Parties were to undertake forward-looking, open-ended informal consultations in conjunction with the 40th session of the UNFCCC Subsidiary Bodies (SBSTA and SBI) and the possibility of reporting on the outcomes at the Lima COP.

The Russian proposal first surfaced at the 38th session of the Subsidiary Body on Implementation (SBI) held in Bonn during the June session. It had explained that the proposal stemmed from its concern that the process of the negotiations these past few years has shown serious deficiencies regarding how the rules of procedures are not applied properly.

[For more details on this matter, please read the five reports of TWN Bonn News Update (June 2013) at <http://www.twn.my/title2/climate/bonn.news.11.htm>]

Saudi Arabia said it had listened carefully to the brief report on the consultation on this matter and noted that Parties had worked constructively during the consultation in Warsaw. Although it

regarded the topic to be very important, it could not support having a contact group but could support the previous practice of having informal consultations, adding that the time here in Lima does not permit the contact group.

China believed that informal consultations still suit the discussion and this format should be continued to address this issue and would not support having a contact group to explore solutions to this issue.

India said at this juncture, it too could not support the formation of a contact group. Iraq said it would support the issue to be discussed in informal consultations.

The European Union believed the issue is important but also does not see the need for a contact group. It believed that the issue has been sufficiently dealt with in informal consultations which had fruitful discussion and looked forward to the same process here. It said delegations are stretched to the

maximum and pleaded to stay focused on the outcome for a 2015 agreement.

The Russian Federation said its proposal is based on the principle to bring added value to review the process of decision-making hence it felt it was wise to introduce a draft decision on the matter here. It said as we find ourselves at a crucial stage leading to the Paris conference (COP 21 next year), it is crucial to establish the most favourable condition within the context of procedural issue to guarantee the success of the Paris conference.

It said it is somewhat surprised by the reactions on a matter that is purely operational. It said this item is of no less importance than the others and needs to be considered very seriously. It said a contact group will open up opportunity for all to adopt a proper decision on this matter.

COP President Pulgar-Vidal, who chaired the meeting, said given there is no agreement, he would asked Parties to consult among themselves before the conclusion of the plenary today to move forward on this issue.

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

5 December 2014

ADP: Differentiation, Loss and Damage Key Sticking Points in Adaptation

Lima, 4 December (Indrajit Bose) – The contact group on adaptation convened under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) on 2-3 December 2014 at the ongoing climate talks in Lima. On the table was the ADP Co-chairs' non-paper on elements for a draft negotiating text.

Discussions on adaptation were categorised into long-term and global aspects of adaptation; commitments and contributions on adaptation; monitoring and evaluation; sharing of information, knowledge and lessons learned; institutional arrangements; and loss and damage. While there was little convergence on these areas, loss and damage, contribution and commitments, and long-term global goal saw heightened debates.

At the very outset, before discussions began, Saudi Arabia proposed that differentiation be tackled headlong. Once there is clarity on differentiation, it would help advance work, it said. As discussions went along, it became clear that differentiation, an underlying component in all the categories under discussion, stood out as a sticking point.

Developed countries were against any reference to differentiation whereas a large number of developing countries proposed language to ensure differentiation as per the Convention is reflected in the text. The latter wanted developed countries to take on commitments on adaptation whereas they would take actions, but the developed countries wanted all Parties to take actions. Canada said it would not support any 'bifurcation' and supported the United States, which said that there is no case for differentiation since all Parties have to take action. China and India, along with several other developing countries, responded by proposing inclusions to strengthen the principle of differentiation as per the Convention.

On loss and damage, the developed countries were of the view that it should not feature in the agreement, whereas the developing countries wanted it as a separate element in the agreement. The Alliance of Small Island States (AOSIS), the Least

Developed Countries (LDCs), the Like Minded Developing Countries (LMDC) and the African Group all came together to demand that loss and damage should be anchored in the 2015 agreement. The LDCs said it is a red line for them. 'We cannot just say it will be a COP decision. It isn't good enough,' said Tuvalu.

Parties were also divided on a global goal on adaptation. Some developing countries were asking for a global adaptation goal that linked adaptation support to the level of mitigation but developed countries stressed that adaptation should not be linked to mitigation efforts of developed countries and that a global goal on adaptation was just not feasible. After the end of the contact group discussions on 2 December, Tuvalu asked: 'We have heard many Parties say we need a balanced approach to adaptation in the new agreement, and yet if we delete references to adaptation, where is the balance? There needs to be sincerity, but we have heard that there is no sincerity to deal with adaptation,' it said. It added that it is willing to engage in formal negotiations, but without any sincerity, there is no point in carrying on like this.

The key interventions by Parties are as follows:

Speaking for the Like Minded Developing Countries (LMDC), Saudi Arabia stressed there needs to be differentiation between developed and developing countries as per the Convention. It said it is against any reference to language outside of the Convention. While adaptation is linked to mitigation, it should also be linked to means of implementation. It called for the loss and damage mechanism to be anchored in the new agreement.

Associating itself with the LMDC, China said there is nothing called common responsibility or universal commitment. 'This is not correct language. We have only common but differentiated responsibility,' it said. Universal commitment must be changed to commitments and contributions, it added. China suggested change in language to stress on the differentiation aspect and said it is very important to be clear that support obligations are of

the developed countries, including transfer of technology and to meet costs.

India also associated itself with the LMDC and re-emphasised that adaptation in the new agreement must be reflected in a comprehensive and balanced manner. ‘When we say balance, it is not only political parity with mitigation – it is total parity, be it financial flow or allocations, legally binding status, technology transfer or sense of urgency and commitments. We would like that to inform the entire text,’ it said. India called for a long-term global goal for adaptation to be clearly articulated in both ‘qualitative and quantitative terms’. It said that determination of contribution and implementation could be country-driven with appropriate support from developed countries. It called for the continuation of existing institutions such as loss and damage to feature in the 2015 agreement.

Argentina too supported the LMDC and said means of implementation is key to success of adaptation. It proposed textual additions to strengthen the principle of differentiation in the adaptation section of the non-paper and said that commitments and contributions must be linked to differentiation between developed and developing countries. It said the wording should be commitment for developed countries and actions rather than contributions for developing countries.

Iran, El Salvador, Algeria and Ecuador too supported the LMDC. While **Iran** called for strengthening of common but differentiated responsibilities (CBDR) in the context of Article 4 of the Convention, El Salvador said that developed countries’ proposals on adaptation are a departure from the Convention, which is unacceptable. Algeria added CBDR and respective capabilities (RC) should be reflected throughout the text as must provision of adequate and predictable support from developed to developing countries.

Speaking for **the Alliance of Small Island States (AOSIS)**, **Nauru** said that adaptation and loss and damage need to be separated, and that loss and damage should feature separately in the agreement. It called for more clarity on the global goal and asked for consistency in the use of the word ‘commitments’ or ‘contributions’. It added that commitments should be in line with Article 4 of the Convention.

Zambia called for the need to reflect on differentiation and said adaptation should be a contribution by developing countries and a commitment for the developed countries. Balance between mitigation and adaptation is important, it said.

Ghana supported India on reference to both qualitative and quantitative adaptation goal. It said any obligation requirement must refer to Article 4.1 of the Convention. ‘All Parties are expected to implement adaptation action, taking into account CBDR and national priorities and circumstances.

There needs to be flexibility for developing countries and especially for island states, Africa and least developed countries. It is critical that loss and damage is anchored in the new agreement,’ it said.

South Africa also emphasised that adaptation is a crucial element of the new agreement. Expression of a global goal is integral to the new agreement and the agreement needs to balance mitigation and adaptation. This must not just be balanced in reflection but in implementation too, it said. ‘There is global obligation in supporting adaptation,’ South Africa added. There is a need for assessment of adequacy of adaptation support. Loss and damage should be part of the new agreement and it should not be part of the adaptation section. It referred to loss and damage as part of global responsibility.

Tuvalu said loss and damage must figure separately from adaptation in the agreement since the Warsaw Mechanism on Loss and Damage is not a permanent institution. Loss and damage should get high-level support, it said. It sees value in having a long-term goal on adaptation since it is inevitable that action on adaptation will depend on mitigation. So, there should be a global goal that recognises that the adaptation goal is linked to temperature trajectories, it said. It called for more discussions on commitments or contributions.

Timor Leste also stressed that loss and damage is beyond adaptation and must be anchored in the new agreement.

Speaking for **the Independent Alliance of Latin America and the Caribbean (AILAC)**, **Mexico** seconded the United States on deleting reference to any communication of commitments or contributions and that there should be no collective commitments on adaptation. Parties must review and reinforce their commitment, it said. On institutional mechanisms, it said that these could be part of the decisions of the Conference of the Parties (COP), and need not be reflected in the new agreement.

The European Union (EU) said the word ‘commitment/contribution’ could be replaced with ‘action’ or ‘measures’ and wanted language on support to be dealt with in the section on support.

Switzerland said it supports commitment by each Party and there is no need for differentiation in this. Calling for an ‘iterative adaptation’ process it said it is not in favour of any prescriptive guidelines to undertake adaptation planning. Loss and damage is part of adaptation and should not figure separately, it said.

The US said that universal commitment is commitment by each Party to take enhanced action on adaptation. It said it would support language in the new agreement that acknowledges that each Party should undertake adaptation action but those with limited capacity would need support. The idea is to expand the pool of resources, it said. The US was against any reference to contributions and

commitments and wanted it replaced with ‘action’. There was no case for differentiation since all Parties would have to take action, it said. It was of the view that there should be no new institutional arrangements on loss and damage for the purposes of this agreement. The Warsaw International Mechanism for Loss and Damage associated with climate change impacts under the Convention is to be strengthened separately from the agreement, it said.

Norway and **Canada** supported the US. Canada said that the Warsaw Mechanism for Loss and Damage needs more time to be implemented. Norway shared the same concern as the US and said that it was in favour of commitments by all Parties. Not in favour of differentiation, Canada called for more discussion on the use of words (it seemed to agree with ‘actions’, which was proposed by the US).

It would not support any proposal on ‘bifurcation’, it said. Norway does not see any value in a global goal on adaptation. Canada said adaptation could not be quantified or measured and was thus not in favour of a global goal on adaptation.

Japan said it found it strange that each Party should communicate its adaptation commitment because it is not clear of the content of the commitment or contribution or action. It also said that the Warsaw Mechanism for Loss and Damage is in the process of being initiated and therefore there should be no institutional arrangement on loss and damage in the 2015 agreement.

Australia is not in favour of any linkages between adaptation and support because there are complex challenges involving adaptation cost. Like its other Umbrella Group counterparts, it said no to differentiation.

TWN

Lima News Update 12

www.twn.my

Published by
Third World Network

5 December 2014

ADP: African Group Submits Proposal on 'Finance' as Basis for Negotiations

Lima, 5 December (Meena Raman*) – The African Group, on Thursday, 4 December tabled a proposal on 'draft elements on finance' for the consideration of Parties at the contact group under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), and wanted this document to be the basis of negotiations in relation to the 2015 agreement.

The proposal submitted by Sudan on behalf of the African Group was presented by Egypt at the contact group, as a conference room paper (CRP). It drew support from the Group of 77 and China and other developing countries. Developing countries supported Egypt in wanting the CRP to be used as the basis for negotiations instead of the non-paper produced by the ADP Co-chairs in elaborating elements for a draft negotiating text of the 2015 agreement.

Egypt stressed that its proposal 'is not a submission to be added to the non-paper' but is 'a CRP presented by a group of Parties'. It asked the secretariat to circulate copies of the CRP and for this to be used as the basis for negotiations as it is a 'legal document'. It emphasised that this was a 'Party-driven process' and welcomed inputs to the paper.

Bolivia, speaking for **the G77 and China**, expressed support for the proposal and said that the African Group's CRP is 'a formal paper tabled by a formal regional group of the G77/China', while the Co-chairs' non-paper had 'no legal standing', adding that the CRP could help Parties in advancing the draft negotiating text of the 2015 agreement.

Developed countries including **New Zealand**, **Switzerland** and **the United States** wanted to proceed on the basis of the Co-chairs' non-paper, with the US saying that 'while a non-paper has no legal status, the paper has been very helpful for us' and did not accept the African Group's CRP as the basis of discussions.

Given that Parties had to go for another meeting on finance, the meeting was suspended

around noon by ADP Co-chair, Artur Runge-Metzger (the European Union). Parties are expected to meet again on Saturday, 6 December.

The ADP contact group has been considering the element of 'finance' in relation to the 2015 agreement from 2 to 4 December.

In the earlier sessions since Tuesday (2 December), developing countries had said that the Co-chairs' non-paper on the 'finance' element rewrites the principles and provisions of the UN Framework Convention on Climate Change (UNFCCC) and was therefore unacceptable.

They also pointed out that the non-paper avoids the subject of 'resource mobilisation' altogether and 'represents a huge step backwards' in terms of the obligations of developed countries on finance.

In a blistering attack of the Co-chair's non-paper on Wednesday (3 December), Nicaraguan Minister Dr. Paul Oquist said that if the non-paper 'were to be submitted in an undergraduate course on climate finance in answer to the question of how best to mobilise climate finance, it would not receive a passing grade', adding that 'it goes to great length to avoid the subject of resource mobilisation altogether.'

Oquist's remarks pretty much summed up the views of developing countries on the non-paper.

He added further that it 'confuses plans, programmes and policies with finance' and 'when it does reach some financial topics there is no resource mobilisation strategy to be found nor road map as how to implement one', stressing that this represented 'a huge step backwards' designed to get the UNFCCC out of climate finance altogether.

The Minister added that the finance section of the non-paper 'is also a mine field' with the use of simple words such as 'all Parties' having responsibilities in providing finance and 'evolving common but differentiated responsibilities' that 'exemplify why we cannot work on the basis of this document as they are all loaded outside the Convention, its logic and structure' which 'reinterprets, rewrites and replaces the Convention'.

(Under the UNFCCC, only developed country Parties in Annex II have legal commitments to provide finance to developing countries.)

‘The faster that we can get to a Party-driven negotiation and not a Co-chair-driven intermediation, the faster we can narrow differences, find convergence, and achieve consensus. Inasmuch as the agreement we seek is to be applicable to all, it must also be acceptable to all,’ said the Minister.

Developed countries in their interventions did not want any reference to quantified targets for

finance in the new agreement, with **the European Union** saying that it was a ‘clear red line’ for them. All developed countries also stressed the importance of having ‘all countries in a position to do so’ to provide financial support ‘in accordance with their changing capabilities since the inception of the Convention’.

(* With inputs from Indrajit Bose)

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Lima News Update

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Published by
Third World Network

5 December 2014

ADP: Agreement Reached on Way Forward on Lima Draft Decision

Lima, 5 December (Meena Raman and Indrajit Bose) – Parties found consensus on the process to advance work on the draft decision text under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) for adoption in Lima. This is after two days of stalemate and two rounds of ‘friends of the chair’ meetings.

On 2 and 3 December, several developing country Parties had objected to the Co-chairs’ method of work in advancing work on the draft decision text, which includes matters regarding the 2015 Paris agreement, the intended nationally determined contributions (INDCs) for that agreement, as well as the pre-2020 climate actions. They had asked for text to be reflected on the screen to enable them to begin formal negotiations but to no avail. Owing to lack of consensus, some Parties suggested a ‘friends of the chair’ meeting to find a way forward, which met in the evening of 3 December and the morning of the 4th.

When the ADP contact group convened afternoon of 4 December on the draft decision text, ADP Co-chair Artur Runge-Metzger said that following a lack of consensus on how to proceed with the draft decision, ‘we convened a “friends of the chair” open to all Parties to consider proposals on how to move forward in a manner that gives guidance to all.’ He said that ‘we could not find consensus in the meeting (on 3 December) and reconvened (morning of 4 December) and found consensus relatively speedily’. He added that ‘we have been advised for following the mode of work’ for consideration of the draft decision as follows:

‘There is a collective wish to consider a first reading in a timely manner with the purpose to introduce proposals. To achieve this, dedicated meetings of the contact group to focus on specific paragraphs of the decision text will be called by the Co-chairs. Parties are encouraged to send their textual proposals in advance of the dedicated meetings. The proposals will be displayed as the proposing Party speaks (on screen in the conference room).’

The ADP Co-chair said that all Parties of the ‘friends’ declared their desire to complete the first reading so that there could be consideration of the synthesis of Parties’ proposals. He informed Parties further that all the proposals of Parties will be on the ADP website to ensure transparency. He explained further that the Co-chairs will then prepare a synthesis document based on the proposals by Parties into an improved draft decision text, which would be used for textual negotiations on screen in a contact group setting under the ADP in the second week of the ongoing climate talks at Lima. Runger-Metzger said that he hoped that this would be done in an ‘un-huddled manner’ (in an apparent reference to the call by the Like-minded Developing Countries not to make decisions in ‘huddles’ as has been the practice in previous COP sessions).

Runger-Metzger also said that for the contact group scheduled for 4 December, the Secretariat had received a number of proposals, which would be displayed on screen and Parties would speak to it. The plan of the contact group was to focus on INDCs (paragraphs 7-22 of the draft decision). With the arrangement agreed upon, Parties dived headlong into negotiations and gave their views on the paragraphs under discussion. Some even proposed textual suggestions as an alternative to the paragraphs in the Co-chairs’ draft text. Parties that had sent their proposals to the Secretariat had them displayed on a screen.

By the end of the day, however, Parties could not go beyond paragraph 12 (paragraphs 6-12 of the draft decision text deal with the domestic preparation of INDCs). Some Parties also gave their views on paragraphs 1-6, on elements of the 2015 agreement, since they had not voiced them earlier due to the impasse on the process the previous two days.

As Parties started voicing their views, the divide became clear. There was no consensus among Parties on the scope of the INDCs as well as on its linkage to the elements of the 2015 agreement.

Developed countries wanted the INDCs to be focused on mitigation, while developing countries

said that they should also extend to all the elements, and include adaptation, finance, technology transfer and capacity-building.

Another key issue of discussion was over the mandate of the decision for Lima especially in relation to the INDCs. Several countries including **China, Venezuela, Malaysia, and Saudi Arabia** pointed out that the mandate in Lima is to identify information that Parties will provide when putting forward their INDCs. They and other countries including **Brazil, Singapore and Norway** stressed that the draft decision should stay clear of prejudging the Paris agreement in relation to the mitigation element, and not introduce language in the Lima decision text that confuses this. **Norway** supported this view.

China said that there should not be an ‘early harvest’ of a mitigation agreement through the INDC-related text, while Australia, in complete contrast to the views of Parties above, said that the INDCs are about mitigation and other elements (beyond mitigation) should be discussed through the elements non-paper and cautioned that Parties should not negotiate the full scope of the Paris agreement through the INDC decision by proxy.

Following were some of the key interventions by Parties:

Brazil expressed concerns with some of the proposals (of developed countries) on the screen which created ‘anxiety in the room’. Language is being introduced in the draft decision text on issues relating to the mitigation element of the Paris agreement in relation to the INDCs. Parties should focus on the nature and scope of the INDCs which is different from the elements in the Paris agreement. It said that the purpose of the draft decision is to serve as guidance and not to anticipate language of the 2015 agreement. It stressed that the draft decision should stay clear of prejudging the Paris agreement.

Norway echoed the views of Brazil against prejudging the outcome of negotiations for the Paris agreement next year. It agreed that there is an ambiguity on what INDCs are about.

Malaysia said that the decision text must reflect on what is the mandate of the Warsaw decision. In relation to INDCs, referring to the proposals by developed countries, it said that they were going beyond the mandate of paragraph 2(c) of the Warsaw decision which would prejudice the Paris agreement. It shared the views of Brazil and said that some Parties are trying to squeeze issues in the 2015 agreement (which are currently in the Co-chairs’ non-paper on the elements of the Paris agreement and which are still being discussed by Parties) into the Lima decision text relating to INDCs. It also disagreed with the view that the objective of the contribution is mitigation as it is broader. Any mitigation effort must be supported.

[Paragraph 2-c of the Warsaw decision reads: ‘2. Decides, in the context of its determination to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties at its twenty-first session (December 2015) and for it to come into effect and be implemented from 2020: (c): To request the Ad Hoc Working Group on the Durban Platform for Enhanced Action to identify, by the twentieth session of the Conference of the Parties, the information that Parties will provide when putting forward their contributions, without prejudice to the legal nature of the contributions.’]

Singapore, echoing the views of Brazil, Malaysia and Norway, reminded Parties that they need to be clear whether the texts being proposed belong to the Lima COP or to the elements of the draft negotiating text for the Paris agreement. It reminded Parties that ‘similar text proposals should not be in same room,’ as this will prejudice the negotiations in Paris next year. It also stressed the need for parity between mitigation and adaptation in the Paris agreement, saying that there could be no agreement without adaptation.

Venezuela also echoed similar views and said that the work on the draft decision text must reflect the mandate from previous decisions which would be useful to limit the amount of text. It stressed the need for clarity on the discussion of INDCs in relation to the non-paper on the elements of the new agreement to ensure that the work on the Lima text does not prejudice the work on the new agreement. It also supported the views of Bolivia as regards the need to address the global carbon budget (in relation to the scope of contributions referred to in paragraph 8 of the draft text).

China proposed to bring the draft text in line with the Warsaw mandate and include the principles, provisions and the relevant Articles of the Convention to highlight the differentiation between developed and developing countries and developed countries’ obligations under the Convention to provide for financial, technological and capacity building support to developing countries. It was also firm that the scope of INDCs should not be limited to mitigation alone and that it should also cover adaptation as well as means of implementation, besides mitigation. It warned against attempts for an ‘early harvest’ of agreement on mitigation through the Lima decision (which is an issue for the Paris agreement).

Australia said the scope of INDCs is mitigation only as it deals with the role of upfront clarity that is needed (in relation to the mitigation effort of Parties). It said that other elements (beyond mitigation) should be discussed through the elements non-paper and cautioned that Parties should not negotiate the full scope of the Paris agreement through the INDC decision by proxy.

Speaking for the **African Group**, **Sudan** stressed the centrality of adaptation in the 2015 agreement and the need for legal parity with mitigation and that this would be an enabler for participation. On the issue of INDCs, it said that the issue at hand is not about the scope of the INDCs as the Convention in Article 4 already sets the obligations of Parties and that therefore, it covers all obligations. The issue of national determination of the INDCs relates to the level of ambition.

South Africa (referring to paragraphs 4 to 6 in the draft text) ‘deals with assurances’. It did not see assurances that it believed were necessary for Parties to be comfortable with. It needed to have assurances about the deal Parties will adopt in Paris. It also wanted assurances and understanding of the link between INDCs and elements of the Paris agreement. It wanted assurance on what the status of the INDCs would be once they are communicated and what the 2015 agreement would say. It wanted assurance that there would be balanced support for mitigation and adaptation, stressing that adaptation is not about having a policy statement.

It also emphasised the need to deal with the issue of differentiation as an assurance as there must be an understanding that differentiation will take into account existing capacities and capacities that will evolve over time. Without these assurances, there will be ‘a heavy battle’.

Tuvalu said it is absolutely critical to have an additional element on loss and damage in the Paris agreement. It proposed text to highlight the special situation of the Least Developed Countries and Small Island Developing States in the draft decision.

Saudi Arabia called for full parity to mitigation and adaptation in the agreement because ‘that is exactly what we have in the Convention’, and said that this would go a long way in building confidence among Parties. On INDCs, it said that there is a specific mandate as per the Warsaw decision, which should be adhered to. It said that INDCs are more than mitigation. ‘Without addressing mitigation and

adaptation and means of implementation, we will have no ambition which is what Parties are looking for here,’ it said. It called for inclusion of the adaptation component in INDCs and reiterated that ambition will result in how Parties strike a balance between mitigation, adaptation and means of implementation.

Bolivia proposed a preambular paragraph to highlight the idea of a global emissions budget to promote the distribution of emissions to limit temperature rise to 1.5°C. It suggested wording to introduce the need for developed countries to fulfil their commitments under the Convention. It stressed that there should be no reference to market-based approaches in the text.

Algeria stressed the importance of differentiation in the new agreement which should be in line with principles and provisions of the Convention and proposed textual changes accordingly. **Argentina** said differentiation and inclusion of all elements in the new agreement are key and proposed texts to bring language into the text. **Ecuador** also stressed on striking a balance between mitigation and adaptation and said it is important to include text that sets out the principles and provisions of the Convention, in particular common but differentiated responsibility (CBDR).

Egypt too asked of the Parties to focus on the mandate at hand. **Jordan** stressed on differentiation and disagreed that mitigation is the core of the 2015 agreement.

The US said INDCs relate to mitigation and expressed problems with most of the paragraphs on INDCs under discussion. **Russia** also stressed that INDCs are about mitigation, a view also echoed by **Japan** and **Canada**.

The European Union said mitigation and adaptation do not need symmetry in the draft decision and focused on strengthening the mitigation aspects in relation to the INDCs. It said it would not ‘permit’ language on INDCs on adaptation and said all Parties must put forth mitigation INDCs.

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

8 December 2014

CMP: No Agreement on 'Revisit Mechanism' Contact Group to Increase Annex I Ambition

Lima, 8 December (Hilary Chiew) – By the end of the first week of the climate talks, developed and developing country Parties still could not agree on the way forward on the issue of the 'revisit mechanism' for the ambition of Annex I Parties in the second commitment period (CP2) of the Kyoto Protocol (KP).

COP President Manuel Pulgar-Vidal convened a plenary meeting of the 10th session of the Conference of the Parties serving as the Meeting of Parties to the Kyoto Protocol (CMP 10) that lasted for 30 minutes from 5:30 pm on 6 December, informing Parties that he had undertaken informal consultations with various Parties on the matter on Friday (5 December).

On 3 December, the Group of 77 and China (G77-China) had proposed a contact group for the CMP 10 agenda item 8: *Report on the high-level ministerial roundtable on increased ambition of Kyoto Protocol commitments*. However, developed country Parties disagreed, citing confusion and lack of clarity of the scope and purpose of the contact group but were ready to consult further.

Bolivia representing the G77-China reiterated its request for the contact group and said it is confident that the wisdom and leadership of the COP President will guide Parties to find an agreement.

It said the Group had repeatedly explained its proposal for creating a contact group to consider ways and means to ensure commitments by Annex I Parties will happen before it is too late. It underscored that the decision to be made in the proposed contact group is important in order to have certainty to address the mitigation gap in the pre-2020 period.

China believed that the COP President's consultation was helpful. However, it noted that it has neither changed the G77-China's request nor led to the agreement for the contact group. It stressed that establishing a contact group is still necessary.

It said in the consultation, China had further explained that the ministerial roundtable in June has not led to the further increase of ambition of Annex

I Parties. It heard some Annex I Parties saying that their increased ambitions are conditional and China find those conditions extremely unsatisfactory. It would like to know the political analysis of their conditions.

China said it is extremely worried that if there is no political solution to the issue there would be no increase in Annex I emission reduction. Hence, it said, this is precisely the issue that needs to be solved through the contact group.

Australia speaking for the Umbrella Group recognised the importance of reducing emission in the pre-2020 period but it cannot support the idea for a contact group. It considered that the ongoing discussion of the pre-2020 ambition is being addressed in the multilateral assessment (MA). The MA is taking place on 6 and 8 December under the working group session of the Subsidiary Body for Implementation (SBI).

On the part of Australia, it said the country has participated in the high-level ministerial and presented a submission approved by its minister indicating its 2020 targets following the KP's rules, and it intends to continue doing so.

Switzerland said it shared the concern of Parties that ambition for the pre-2020 period has to be increased globally and it is fully committed to that common objective.

However, it said Parties should recall what was decided in Doha (venue of COP 18 in 2012).

Referring to paragraph 7 of the Doha Amendment, it said Switzerland, like the other Annex B countries, has done its part and has shared the conclusion at the high-level ministerial in June.

Paragraph 7 of decision 1/CMP.8 reads:

'Decides that each Party included in Annex I will revisit its quantified emission limitation and reduction commitment (QELRC) for the second commitment period at the latest by 2014. In order to increase the ambition of its 8 December 2014 commitment, such Party may decrease the percentage inscribed in the third column of Annex B of its quantified emission limitation and controlled

by the Montreal Protocol by Parties included in Annex I of at least 25 to 40 per cent below 1990 levels by 2020; ...'

It said Switzerland had reflected the context under which circumstances it will be ready to look at higher ambition of the KP as contained in the footnote number 11 which reads:

'The QELRC presented in the third column of this table refers to a reduction target of 20 per cent by 2020 compared to 1990 levels. Switzerland would consider a higher reduction target up to 30 per cent by 2020 compared to 1990 levels subject to comparable emission reduction commitments from other developed countries and adequate contribution from developing countries according to their responsibilities and capabilities in line with the 2°C target. This reference retains the status of the pledge made under the Cancun Agreements and does not amount to a new legally binding commitment under this Protocol or its associated rules and modalities.'

It reckoned that no further work is needed for this agenda item but remained concerned over the lack of global ambition. Therefore, it said it is important that Parties look at this issue in a cooperative spirit and it looked forward to discussing

the issue under workstream 2 of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) that was established for that purpose.

The European Union said it has heard the views of other Parties but it cannot support the establishment of the contact group. It said the issue is taken up by the MA, workstream 2 of the ADP and the June ministerial in Bonn. In those discussion groups, it has explained how the bloc is in the process of ratifying those commitments both domestically and regionally, and the legislation put in place to increase its pre-2020 ambition.

It feels, therefore, it is not necessary to create another process to review, noting that there are already so many contact groups being set up in the Lima talks.

Norway said it has submitted its instrument of ratification and is eagerly awaiting other Parties to ratify so that CP2 can enter into force. It too does not see the need for a contact group.

In conclusion, Pulgar-Vidal said he heard the divergence of views and he would continue to undertake consultations and is confident of more constructive dialogue to see a way forward and hoped to find a way to solve the impasse.

TWN

Lima News Update

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Published by
Third World Network

8 December 2014

COP: Proposals to Amend the UNFCCC

Lima, 8 December (Hilary Chiew and Chee Yoke Ling) – Three proposals to amend the UN Framework Convention on Climate Change were considered in informal consultations during the first week of the ongoing climate talks.

The first informal consultation on the *proposal from the Russian Federation to amend Article 4 paragraph 2(f) of the Convention* was held on 5 December.

Article 4 paragraph 2(f) reads: ‘The Conference of the Parties shall review, not later than 31 December 1998, available information with a view to taking decisions regarding such amendments to the lists in Annexes I and II as may be appropriate with the approval of the Party concerned; ...’

The Russian Federation said its understanding of the matter is that the landscape of the proposal has not radically changed, that the issue is still relevant and even more in the context of the negotiation of the ‘new climate regime’. It is interested in continuing the discussion and to listen to Parties.

Canada said consistent with its views expressed in the past, it supported the principle behind the proposal that the differentiation of countries between Annex I and non-Annex I is outdated and that this issue is best discussed under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).

As with the proposal for amendment of Articles 7 and 18 of the Convention by Mexico and Papua New Guinea (see below), it said discussion should continue in Lima or in Paris on the nature of such amendments until we have the Paris agreement. Until then, it will continue to listen to views of Parties and look for a way forward.

(Annex I contains a list of developed countries and countries with economies in transition with legal commitments to reduce greenhouse gas emissions. Annex II contains a list of developed countries with obligations to provide new and additional financial resources including for technology transfer to developing countries.)

Australia shared Canada’s view particularly on the ‘outdated nature of the Annexes’ and said that discussion of this agenda item is worthwhile and it would like to continue in this current manner until the outcome in Paris so that Parties will be in a better position to understand the implications.

China said it does not support amendment as the Convention is a result of balanced negotiation and any change would undermine the primacy of the Convention.

It said review of the lists of Annex I and II is complex and would require careful consideration. It is not about who goes where in which Annex but about who is doing what to control climate change. It said the proposal goes beyond the scope of the Convention so it is not appropriate to continue debating the proposal. It said Parties had exhausted the discussion and it does not see the need to continue the discussion.

As no other delegation wished to speak the co-facilitator then proposed to continue the discussion at the COP 21 session next year.

To this, the Russian Federation suggested that Parties digest the views expressed and consider what is appropriate to report to the COP President. It called on Parties to report to their respective capitals and for the meeting to be adjourned for now and to be convened one more time (in Lima) to advance the issue.

However, Saudi Arabia supported the facilitator’s approach to refer discussion of this item to the next COP as there are too many issues here in Lima.

China reiterated that the issue is beyond the scope of the Convention and may undermine the Convention. It preferred to drop the issue but since it is not acceptable, it would support deferring the matter to COP 21 in Paris.

The Russian Federation said its suggestion for adjournment is for Parties to have time to consult with capitals and to get clearer directions from capitals. It said it is fine if no one wishes to speak and there is no need to artificially keep people in the room but to reconvene one more time.

The European Union said it can accept the proposal to consult capitals. Canada supported the EU.

Saudi Arabia said it heard the idea of the Russian Federation and also the views of China. It said if we decide to consult capitals then it should also include China's view of ending the agenda item. Therefore, at the next meeting, Parties can consider whether or not to continue this discussion.

The co-facilitator concluded that the group will meet again in the following week.

At the informal consultation on the proposal *from Papua New Guinea and Mexico to amend Articles 7 and 18 of the Convention* on 5 December, it was decided that the agenda item will be deferred to COP 21 in Paris.

Article 7 covers the rules and conducts of the Convention which include decision-making procedures such as majorities required for the adoption of particular decisions while Article 18 is about the right to vote.

Australia said different rules for different Parties may not be good for enhancing implementation of the Convention.

The European Union said the question has to do with timing. It said when Parties consider the text of the 2015 agreement, we can consider carefully these ideas including decision-making by majority.

Mexico said it understands that the current system is a goodwill system and we have seen how that has created tensions. It said if Parties could not agree (to having a decision here) then we should continue working on this issue until COP 21.

Agenda item 19(c) on the *proposal by the Russian Federation and Belarus on Decision-making in the UNFCCC's process* was dealt with in the informal consultation mode on 6 December after Parties could not agree to the establishment of a contact group as requested by the Russian Federation on 3 December.

China said it is reluctant to have the Convention having its own interpretation of consensus as suggested by Canada which cited the Convention on Biological Diversity as an example. China said consensus (in adoption of a decision) is a United Nations practice and used in many UN fora and it is necessary for the UN itself to provide a uniform meaning of consensus. It supports

continuing discussion of this issue to build confidence among Parties.

(It is not clear what Canada means in its reference to the Convention on Biological Diversity.)

Mexico agreed that it is good to continue the conversation given the peculiarity that the rules of procedure of the Convention have not been adopted yet, noting that the decision-making process can contribute to confidence-building. (The rules of procedure are applied provisionally since there is no consensus over the voting provisions.)

Norway said the rules of procedure (that are provisionally applied) have worked quite well thus far with a number of exceptions. However, it has doubts over having a decision on this agenda item.

Australia does not see the need for a decision and continues to support the practice of provisional rules of procedure. It supported the use of the rule of consensus and considers consensus as the best way where even the smallest Party is consulted.

Ghana said in this process, Parties are not able to use the vote as a decision-making approach. It believed that a lot of problems in this process can be solved if Parties are allowed to vote. It said that it is time to bite the bullet and we cannot pretend that we can continue to operate with consensus. It said Parties should go beyond talking and start acting on how to reform to make the decision-making process a bit simpler.

This agenda item was considered at the Warsaw COP last November following a proposal from Belarus and the Russian Federation. Parties were to undertake forward-looking, open-ended informal consultations in conjunction with the 40th session of the UNFCCC Subsidiary Bodies (SBSTA and SBI) and the possibility of reporting on the outcomes at the Lima COP.

The Russian proposal first surfaced at the 38th session of the Subsidiary Body on Implementation (SBI) held in Bonn during the June 2014 session. It had explained that the proposal stemmed from its concern that the process of the negotiations these past few years has shown serious deficiencies regarding how the rules of procedures are not applied properly.

[For more details on this matter, please read the five reports of TWN Bonn News Update (June 2013) at <http://www.twn.my/title2/climate/bonn.news.1.1.htm>]

TWN

Lima News Update 16

www.twn.my

Published by
Third World Network

8 December 2014

ADP: Parties Divided over African Group's Finance Proposal Versus Co-chairs' Non-paper

Lima, 8 December (Indrajit Bose) – Clarity over process dominated the discussion at the contact group on finance under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) on 6 December.

Central to the debate was which document should be the basis for negotiations on finance, with respect to the 2015 agreement. Three papers were in the fray: a proposal on 'draft elements on finance' submitted by the African Group on 4 December; the ADP Co-chairs' non-paper on elements for a draft negotiating text (of the 2015 agreement); and a submission by New Zealand, made on 6 December.

The African Group's submission in the form of a conference room paper (CRP) was presented by Egypt on 4 December, which the Group asked to be the basis of negotiations in relation to the 2015 agreement. Egypt stressed that the CRP is a 'legal document' (as opposed to the non-paper of the Co-chairs that has no legal status). The proposal received the support of the Group of 77 and China and other developing countries (see TWN Update 12 on *'ADP: African Group submits proposal on "finance" as basis for negotiations'*).

However, when the contact group convened on 6 December, Co-chair Artur Runge-Metzger (the European Union) chose the non-paper to carry forth the discussion. 'We have been going through chapter G on finance (of the non-paper) and the last chapter was left (for discussion). These correspond to paragraphs 41, 42 and 43 on institutional arrangements. I would like to invite your views on those three paragraphs,' said Runge-Metzger.

This led to sharp reactions from developing countries over the Co-chair's method of work. Speaking for **the G77 and China**, Bolivia said, 'We have made ourselves clear on the process. We have put forward a paper, a submission with a legal standing, from the African Group of Parties on elements of finance. These elements are not separate. This is integral to the draft that comes out of Lima. We would like to have clarity from you, the same

level of clarity ... as you have shown towards the draft decision.' (Process-related issues were raised by developing countries on the draft decision of the Co-chairs earlier last week. It had to be resolved through a 'friends of the co-chair' meeting: see Update 13 on *'Agreement reached on way forward on Lima draft decision'*.)

Clarifying that the Group wants to help the Co-chair and the Conference of the Parties' (COP) president, Bolivia said, 'We would like to insist that we are still looking at specific details of the paper put forth by the African Group but we are one in supporting that that should be the basis of our discussions.' Reiterating that the Co-chair's non-paper has no legal standing, Bolivia added, 'You yourself have said that the non-paper has no legal standing. What we would like to do is go into the paper that the African Group has put forth and go into the section on institutions.'

Bolivia reminded the Co-chair that the process the G77 and China is suggesting is not new and that previous agreements reached had been on the basis of text by Parties. 'We are happy to negotiate if there is a Party to table it (the non-paper) as their submission,' said Bolivia, stressing again that a non-paper is different from a formal submission by a Party (or group of Parties) and that it is not willing to engage on the non-paper since it went on to suggest that the core of the Paris agreement will be mitigation, de-linked from any kind of support mechanism. It called for the African Group proposal to be projected on the screen and asked of the Co-chair to not insist on discussions based on the non-paper.

Runge-Metzger responded that Parties' views over the course of the year had been captured in the non-paper. 'If the African Group thinks that it is better expressed in their paper, that will be taken into consideration in the new paper when the new text is considered,' said Runge-Metzger. He informed Parties that he along with Co-chair Kishan Kumarsingh (Trinidad and Tobago) would produce

‘improved papers ... which would reflect Parties’ views and then Parties will have to decide how to take this forward’.

[The UNFCCC website has since posted the following: ‘As announced at the informal plenary meeting of the ADP on Saturday, 6 December, the Co-Chairs of the ADP will make available on Monday morning (8 December) a revised draft decision on the Durban Platform and a revised draft of the elements of a draft negotiating text for the 2015 Agreement, taking into account the textual proposals made by Parties’.

The full title of the first document is ‘Advancing the Durban Platform for Enhanced Action’ – this is the draft decision text, which includes matters regarding the 2015 Paris agreement, the intended nationally determined contributions (INDCs) for that agreement, as well as the pre-2020 climate actions.]

‘Your fear is (the elements non-paper) is mitigation-centric. I wonder where that comes from, surely not from this set of Co-chairs. I am not going to take any responsibility on that, but I am wondering how in a Party-driven process it will have only a single-driven element,’ the Co-chair said.

Egypt, which had tabled the African Group CRP, responded to the Co-chair and said, ‘We are clear in the submission what kind of engagement we are looking for. We have a CRP where we express clearly that the focus will be on specific elements. Now Co-chair, you are again engaging on the non-paper, which we said we would not do. If we are discussing institutional arrangements, if you are discussing paragraph 41 under the non-paper, we will not support that. Such a document cannot be negotiated,’ it said. Egypt added that it would be better to engage on the issue of institutions in a more general manner. ‘The G77 coordinator has made clear the process. We propose to have a general discussion on institutional arrangements,’ it said.

To this, the Co-chair responded, ‘What I meant was we move to the issues of institutional arrangements. In the non-paper, there is a reflection of Parties’ views. I have noted that in the CRP, there is a chapter called “Anchoring institutions under the legal agreement”. I am inviting Parties to give their views. I am not married to any of those views in the non-paper.’

In response, several developing countries voiced their support for the African Group proposal. Quoting the COP 20 president, **Algeria** said transparency should not be sacrificed at the altar of efficiency. ‘The non-paper is too biased or polluted with new concepts, which we don’t understand,’ it said and added that countries that caused climate change must be still held responsible. ‘We cannot have new indicators. Everything is already in the Convention,’ said Algeria. **Saudi Arabia on behalf of the Arab Group** too lent its support and added

that the only way forward was the African Group CRP.

Among the Parties that also voiced support for the African Group CRP were **the Maldives on behalf of Small Island Developing States, Colombia on behalf of AILAC, Ecuador, India, China, Brazil, Pakistan, Bahrain and Indonesia**.

India said it is not in a position to engage in a discussion on the non-paper. ‘We can further strengthen the elements of the CRP and we can engage constructively on this,’ it said. ‘We need to negotiate in a very transparent manner, on the basis of comments by Parties. We need to identify the right direction that will lead us to the right approach,’ said **China**. **Pakistan** stressed the importance of following UN rules of procedure. **Brazil** said it cannot accept a paper that does not take fully into account common but differentiated responsibilities.

‘We think that the paper from the African Group does a good job in crystallising an output for the finance decision,’ said **Indonesia**, and sought clarification on how the work of the ADP would be organised in the second week of the ongoing climate talks at Lima.

A lively exchange followed when **New Zealand** announced that it had made a submission on finance earlier in the day (5 December). It said that the African Group’s input had been useful for its thinking and in its submission New Zealand had provided a summary comprising comments, which it thought should be included in the draft negotiating text. It said that its submission was not meant to be an alternative or a competing version of the African Group’s input and hoped that the Co-chairs would find it as a useful guide for their next iteration.

Bolivia asked of the Co-chair: ‘What is an iteration? What will it be based on? Is it going to be iteration on what was said about the non-paper, or will it capture the differences? I hope we can look at the New Zealand submission on the screen.’ To this, Runge-Metzger said that, ‘any future iteration of the non-paper will be based on Parties’ views’. ‘We are not here to invent things,’ he added.

The US said many of the elements in the African Group submission posed a challenge for them and that it does not endorse the New Zealand submission either even though there were a lot of interesting elements in it. ‘The non-paper does not have any special status but it has been helpful to advance the negotiations text. There are many aspects of the non-paper that we do not support. But it has taken a wide diversity of Parties’ views,’ the US added. It asked of the Co-chair that he should look into these submissions and try to reflect the ideas in the next iteration.

Japan said that the non-paper may seem ‘imperfect’, but it was a good basis to negotiate. It seconded the US’s suggestion on including elements from both the submissions at the Co-chairs’ next

iteration of the papers. **Canada** said it was confident that the Co-chairs would capture the views of all the Parties. **Australia** said it is willing to work on the basis of the existing non-paper. **The European Union (EU)** spoke along the same lines as the US. **Switzerland** supported the EU. **Norway** added that the best way forward is not a 'legal issue but a practical one'. Speaking for **the Least Developed Countries**, **Tuvalu** said they were comfortable working with the Co-chairs' non-paper.

On substantive issues, Parties were divided over the details of the institutional arrangements and how they should be reflected in the agreement. To a reference that the 'COP to be given authority to adjust institutional settings, to take a decision consolidating and coordinating institutions...' **Bolivia on behalf of the G77** asked who would give authority to the COP. The COP already has the authority to do so, it said.

To a reference on direct access for LDCs and SIDS, **Bolivia** said that there is a fund called the Adaptation Fund under the Kyoto Protocol that continues to operationalise direct access. Discussions in the Green Climate Fund (GCF) Board have reached enhanced direct access, it added. It also wanted to know what kind of authority was being given to private investors, reference to which is in

one of the paragraphs. 'The text does not reflect the balance we need,' said **Bolivia**. **Egypt** called for the existing finance institutions under the Convention to be anchored in the agreement.

Norway said existing financial institutions should be recognised and any work on scaled-up climate action should be decided on by the COP and not figure in the legal agreement. There is no need for a detailed description of institutional arrangement in the agreement, it said while adding, 'We should just say that current arrangements would suffice.' **Norway** found support in **the US** and **Australia**. **The EU** said that they would not find it useful for the 2015 agreement to go into specific modalities and that the agreement should not anchor specific institutions in it. **Switzerland** said that the agreement should not be 'overloaded'.

The Co-chair concluded the meeting saying it has provided a lot of clarity to the finance chapter. 'There is a lot of convergence of views and we will try to reflect that properly in the non-paper.' The 'improved' iteration of the non-paper will be available for the consideration of Parties on 8 December.

(With inputs from Chee Yoke Ling)

TWN

Lima News Update 17

www.twn.my

Published by
Third World Network

8 December 2014

ADP: Revised Documents and Compilation of Parties' Inputs Released

Lima, 8 December (Indrajit Bose) – Three new documents are now available to further the negotiations under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).

These are: 'Draft text on ADP 2-7 agenda item 3 Implementation of all the elements of decision 1/CP.17', 'Elements for a draft negotiation text', and 'Compilation of Inputs received by Parties on the draft decision on the Durban Platform'. The first is a revised draft decision on the Durban Platform for adoption in Lima, and the second is a revised draft of the elements of a draft negotiating text for the 2015 Agreement, taking into account the textual proposals made by Parties.

The demand for a compilation of Parties' inputs has been persistently made by developing countries. This featured prominently during the 6 December informal stocktaking of the progress made at the ADP during the first week of the Lima climate talks, and the task at hand for the second week.

During the stocktaking, Co-chair Kishan Kumarsingh (Trinidad and Tobago) said that on the draft decision text to be adopted in Lima where Parties had made textual suggestions, the Co-chairs would take all of the suggestions into account and provide an 'improved version of the decision' as agreed during the 'friends of the chair' meeting.

On the Co-chairs' non-paper on elements for a draft negotiating text for the 2015 Paris agreement, Kumarsingh said Parties had made specific text proposals and 'we hope to capture those in an improved paper.'

He said that both these documents would be made available on Monday (8 December) morning.

Kumarsingh also said that 'once the improved version of the decision is done, Parties can negotiate on textual proposals'.

[The draft decision to be adopted in Lima by the Conference of Parties on 'Advancing the Durban Platform for Enhanced Action' includes matters regarding the 2015 Paris agreement, the intended nationally determined contributions (INDCs) for that agreement, as well as the pre-2020 climate actions.]

The ADP Co-chair also asked Parties to reflect and provide guidance on how they would like to 'recognise the efforts' made in Lima and to provide guidance to the two new Co-chairs next week who will be elected end of this week to carry on the work of the ADP next year.

During the informal stocktake, several developing countries raised their concerns about the way ahead and wanted the reassurance of the Co-chairs that the process in the second week would adhere to what was agreed at the 'friends of the chair' meeting on 4 December.

Following interventions from **Sudan for the African Group, Malaysia, and China**, the ADP Co-chairs also gave the assurance that there would be a 'compilation text' (see exchange below).

(In the first two days of the ADP session in Lima, many developing countries and their groupings had demanded a more transparent and participatory method of negotiations than the one practised by the Co-chairs before. In relation to the draft Lima decision, they had demanded the customary method of work of putting texts on a screen and making changes to the text as countries made their proposals. When these demands were unmet, it snowballed into a crisis. The stalemate had to be eventually resolved by 'friends of the chair' meetings on 3-4 December.)

When **Cuba** sought further clarification on the 'improved texts', Kumarsingh responded that 'the improved version of both the draft decision and elements paper will be issued on Monday. As agreed this week during 'friends of the chair', once the improved version is issued, we will go into negotiations mode paragraph by paragraph, where Parties will get into textual proposals.'

He reminded Parties that Thursday, 11 December, is the deadline for the ADP to complete its work in Lima.

Speaking in its national capacity, **Malaysia** reminded Kumarsingh that during the 'friends of the chair' meeting on the draft decision, it was agreed that there would be a compilation of all the proposals

for the purpose of assessing the entire body of work that was used and transformed into the draft decision. 'This would give comfort to those who did not have their proposals on the screen,' it said further. Malaysia sought clarification on how the Co-chairs would provide access to that document.

To Malaysia, Kumarsingh responded, 'I made reference to only the improved version because that is what you will be working on actively. Information that Parties have made is already available on the website. We look forward to receiving submissions from those who intend to do so. So, everything will be placed on the website.'

Sudan clarified that a compilation document would be more useful to see Parties' views inserted in the relevant section of the decision text rather than a plain reference that they are on the website. 'Submission by Parties were on specific sections. It will be quite welcome by the African Group for such a reflection on the compilation,' it said.

Speaking for the Umbrella Group, Australia said that another compilation would lead to a long text, which the group wants to avoid.

Switzerland said that it was not sure if it understood the African Group's ask for a compilation text. 'We would not support merging these proposals to a bracketed text. If things are merged they lose focus. I have heard "your text" and "our text" but this is our text written through you. It converges similar views and outlines possible common ground. If we don't like something in the text it is not because of you but because one of us has written it that way. If you wrote the text, it would be very different,' said Switzerland to the Co-chairs.

Kumarsingh responded to Switzerland and said: 'The decision that we arrive at, or Parties arrive at, will be your text, regardless of what options there might be. By the time you get to Thursday, the text will be yours. The Co-chairs are here only to facilitate.'

Sudan also responded to Switzerland and said that the idea of a compilation is where Parties' views will be reflected in the respective areas in the papers. It reminded the Co-chairs that this was an essential part of the consensus reached at the 'friends of the chair' meeting earlier last week. 'An important part of that understanding was having a compilation to our work going forward,' it said. Sudan also added that it was still not clear about how to proceed with work on the elements mandate vis-à-vis how to get that work to conclude in Lima.

At this point **Pakistan** reiterated that in moving forward in refining the decision text, it has to be as per the proposals by Parties. 'If those proposals are not aptly captured, it would be difficult to make quick progress.' Speaking for the Arab Group, Algeria hoped the revised version leads to a text that Parties can adopt.

China voiced its concern too. 'We would stick to what we agreed to in the "friends of the chair" the other day. It's not compilation of what's on the web. What are on the web are submissions by individual Parties. The understanding from the "friends of the chair" meeting is we will have a consolidation of text. It's not about just putting it together. It needs some work to put it in the right place. We need to put textual proposals in a logical way that leads to negotiations line-by-line, comma-by-comma, full stop-by-full stop. Since there is a rule that silence might mean agreement, it prompted me to make this intervention,' said China.

Saudi Arabia supported Sudan, Algeria and China.

As Kumarsingh was preparing to conclude the meeting and announced it, he noticed China raising the flag again to intervene.

'This is to seek reassurance that there would be a compilation and consolidation document,' said **China**.

Kumarsingh in response said that 'there will be a compilation and a reference text'.

China intervened again to stress that 'it is not a compilation on the web. That would be a separate thing,' it added.

Kumarsingh responded saying, 'You have a reassurance. You will receive a compilation text.'

Following are some of the key interventions by Parties:

India said that the road to Paris is dependent on how things unfold in the next days and added that it is hopeful of leaving Lima with clarity on the INDCs as well as elements of the draft decision. It called for a separate discussion on differentiation. 'In the discussions we have been having, equity and common but differentiated responsibilities have been critical. It pervades all the discussions we have been having. Perhaps, if we could have a separate discussion on it, then we can move rapidly on other parts of the text,' it said.

China said the key Lima asks were centred around three tasks: elaboration of elements to be included in the draft negotiations text that is supposed to be presented in May next year; identification of upfront information of INDCs; work to accelerate pre-2020 action, including mitigation, adaptation, finance, technology and capacity building support. 'We also think that it is very important that from next week, we will be moving to more focused and substantive negotiating mode of work. We are pleased to hear you will circulate two pieces of very important papers: elements and decision for the Lima conference. Whatever documents you produce, it is important to reflect in a comprehensive, balanced manner the discussions that have happened this week. On the decision text, we will have a line-by-line, paragraph-by-paragraph negotiation on screen, which is very common in the UNFCCC process,' it said.

On the elements paper, China said that it is important to have, by the end of Lima, a clear understanding of what would be the elements in the draft negotiating text.

Speaking of the Lima decision text, China emphasised that the document needs to reflect the series of options, and where there is divergence of views on a particular issue, those would have to be further negotiated in the coming days. 'Another point is we should have very focused topics to cover those that are very necessary to have a decision at Lima and there are other aspects where we would have to have a very quick agreement on.' China cited the scope of INDC issues and the necessary follow-up steps upon submission of INDCs as an example. 'These would be addressed further in the context of the further elaboration of the elements of the 2015 agreement. Information in INDCs is very important to come to a common understanding on and what is the information required to accompany the INDCs,' it said.

Sudan said it is important to recognise the single mandate that Parties are working on under the ADP. It said that the 'stand alone non-paper' (in relation to the elements for the Paris agreement) should be reflected in the Lima draft decision.

Tanzania said that there seems to be a lack of understanding among Parties why adaptation and means of implementation are priority areas and Parties would have to work on those areas. On INDCs, there should not be too much of prescriptive information and differentiation should be considered in this regard.

Speaking for **the Least Developed Countries (LDCs)**, Tuvalu said that once Parties see the next iteration of the elements paper, they will be able to consider more carefully where they can identify these elements in a more formal way. 'We must no longer call it the Co-chairs' non-paper and give them a more formal recognition,' it said and added that it needs to be given Parties' ownership. There is a lot of work to be done and as a process to consider which of the

elements should go into the legal agreement and which ones can go into COP decisions, it said.

On the decision text, Tuvalu said there is a diversity of views on INDCs and their scope. 'First, we can work on narrowing down the scope of the INDCs and then some of the procedural aspects can be worked on. There will be necessary technical work to be done to help countries develop their INDCs. We could also take some guidance from subsidiary bodies,' it said.

Singapore said Parties must remember that there are two pieces of text: one for Lima and an elements paper, which they have to deal with in the longer run. 'We shouldn't overload things that slow us down,' it said.

Mexico said decisions that need to be taken must be prioritised and sought clarity on what INDCs are and what are the main elements Parties need to focus on. It said that the different proposals on differentiation that are out of the box are welcome and to focus on issues that Parties can agree on.

The European Union (EU) said it is looking forward to detailed negotiations to resolve differences next week.

Speaking for the **Environment Integrity Group, Switzerland** said that looking at concrete text proposals (in relation to the Lima draft decision) has been time consuming but has proved helpful to better understand the process. It urged the Co-chairs to prepare a new draft decision text and 'reflections' paper based on Parties' written inputs, especially on convergence. Work on the decision text should focus on specific wording, it said.

Speaking for the Umbrella Group, Australia said on the draft decision text, Parties have a good sense of each other's views, which should help reach consensus. It sought clarity on steps for next year. It said that it would like to see the further version of the non-paper, where the Group's version is articulated clearly. It said it did not see the headings or structure of the non-paper reflecting the heading or structure of the agreement.

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

9 December 2014

SBSTA: Lima Session Closes with Outstanding Issues

Lima, 9 December (Hilary Chiew) – The 41st session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 41) closed on 6 December with no agreement on two key agenda items, which will be deferred to the next session.

Parties could not reach agreement on market and non-market mechanisms under the Convention which include three topics – framework for various approaches, non-market-based approaches and new market-based mechanism. The other item is methodological guidance for forest-related activities or ‘REDD plus’.

Meanwhile, continuing consultations are conducted by the SBI and SBSTA chairs under the authority of the Conference of the Parties (COP) President for two agenda items which are joined with the 41st session of the Subsidiary Body for Implementation (SBI 41). These are forum and work programme of the impacts of the implementation of response measures, and the Warsaw International Mechanism for Loss and Damage.

Another two agenda items that have yet to reach agreement continue to be under consultations by the SBI and SBSTA chairs under the authority of the COP President. These are: the work programme on the revision of the guidelines for the review of biennial reports and national communications, including national inventory reviews, for developed country Parties; and implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP 8 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol.

These consultations have a deadline of noon of 9 December.

SBSTA Chair Emmanuel Dumisani Dlamini (Swaziland) presided over the closing plenary.

Bolivia representing the Group of 77 and China (G77-China) welcomed the work of the Adaptation Committee and its collaboration with other bodies under the Convention, in particular the

need for the operating entity of the financial mechanism to fulfil adaptation priorities. (The Global Environment Facility is the operating entity concerned.)

While welcoming the work of the Technology Executive Committee (TEC), it said there is a big gap for the technical mechanism (comprising TEC and the Climate Technology Centre and Network) to deliver tangible and meaningful technology transfer for developing countries. The G77-China said it is crucial to establish clear linkage between the technology mechanism and the financial mechanism. It encouraged the TEC to improve the enabling environment and address barriers for technology transfer.

On the methodological guidance for REDD-plus (Reducing Emissions from Deforestation and Forest Degradation in developing countries), the Group is frustrated that the SBSTA was not able to conclude this matter as it is time to move towards implementing the Warsaw Framework for REDD-plus. It stressed that there is no need for further guidance on information for safeguards which should be determined by Parties that want to undertake REDD-plus activities and not by donor countries. It underlined that consensus is close on the development of methodological guidance on non-market-based approaches and hoped to reach conclusion on this matter at the next SBSTA session.

The G77-China believed that there is space to consider the draft decision on the agenda item of forum and work programme of the impacts of implementation of response measures. The Group is prepared to engage constructively towards resolution of this matter and reaffirmed its submission for continuation of the forum and a mechanism for enhanced actions on response measures, and in particular to address policy issues of concern such as unilateral measures and to strengthen multilateral cooperation on this matter. (See section on Response Measures below.)

Nauru speaking for the Alliance of Small Island States (AOSIS) said the process should be guided by climate science. It therefore continued to call on the Climate Technology Centre and Network to explore climate technology to close the emission gap to achieve the goal of limiting temperature rise to 1.5°C.

Noting that there are some impacts of climate change that can no longer be adapted, it said the Group has been stressing the issue of loss and damage and had championed the establishment of the Warsaw International Mechanism on Loss and Damage. It hoped the Group will be given a seat on the permanent Executive Committee.

On the 2013-2015 Review (to assess the adequacy of the long-term global goal and the progress made towards that), it said it must be informed by the latest science and must lead to the delivery and implementation of actions to achieve the goal of limiting temperature rise to 1.5°C.

Representing the Least Developed Countries (LDC), Nepal believed that there is no need for more guidance for safeguard information and that safeguards should be simple and broad enough to generate information according to national circumstances. It said countries had made progress during the readiness phase and it is therefore disappointed that there was no concrete result from this issue.

With regard to the composition of the executive committee of the Warsaw International Mechanism on Loss and Damage, it would appreciate flexibility by Parties to reach a decision here in Lima.

On the 2013-2015 Review, it said there is a need to acknowledge different sources of information to be considered by the Structured Expert Dialogue.

(Many developing countries call for information beyond that of the Intergovernmental Panel on Climate Change which they say has gaps, especially in relation to the situation in developing countries.)

Panama speaking for the Coalition for Rainforest Nations said the Warsaw Framework for REDD-plus adopted last year completed the many years of negotiation of climate-related forest activities. It said what is needed now is to start REDD-plus activities on the ground, and scale up coherent distribution of finance. There is no need for further guidance on safeguards. Parties can now implement existing guidelines taking into account national capacity and capabilities, and benefit from sharing experience on how safeguards are implemented. It regretted that there is no agreement on the matter and reiterated its interest to see the matter resolved at the next SBSTA session with a view to reaching a decision at COP 21 in Paris next year.

The European Union expressed thanks for the efficient time management that allowed substantial

progress to be made. It said that as this process is underpinned by science, it welcomed the adoption of the draft decision affirming the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) as the most robust assessment ever provided on climate change.

On REDD-plus, it acknowledged that Parties made great effort to try and find a middle ground but regretted that they could not reach an agreement.

While it is encouraged by discussion on new market mechanisms under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), the EU is disappointed that Parties are not able to progress on this matter under the SBSTA. It is confident that this work can inform the ADP negotiations.

Australia speaking for the Umbrella Group also remarked on the time management that enabled Parties to work efficiently during the week. It welcomed the tremendous work of the Adaptation Committee over the past year and looked forward to the continuation of the work next year.

On loss and damage, it hoped Parties could resolve the issue of composition of the permanent executive committee to allow it to start work on its two-year work plan. It is disappointed that there was no agreement to advance work on the framework for various approaches, non-market-based approaches and new market-based mechanism but looked forward to resuming work in June as well as under the ADP.

Monaco representing the Environmental Integrity Group welcomed progress of the Adaptation Committee and the Nairobi Work Programme but is disappointed that no decision can be taken on the framework for various approaches etc.

Response Measures

On the forum and work programme of the impacts of the implementation of response measures, Parties could not reach a conclusion and agreed to recommend that COP 20 continue consideration on the basis of the draft decision text contained in the annex.

Although the draft text was filled with brackets, Parties nevertheless could agree in general on the continuation of the forum but disagreed on the establishment of a mechanism for enhanced actions on response measures.

The G77-China has proposed the mechanism and requested the subsidiary bodies (SBSTA and SBI) to develop the functions and modalities of the mechanism at their forty-second sessions, for consideration and adoption by COP 21 in Paris next year but Annex I Parties proposed 'no text'.

For the preamble, the following key paragraphs are in brackets:

[Also reaffirming that developed country Parties are urged to strive to implement policies and measures to respond to climate change in such a way as to avoid negative social and economic consequences for developing country Parties, taking into account Article 3 of the Convention, and to assist these Parties to address such consequences by providing support, including financial resources, transfer of technology and capacity building, in accordance with Article 4 of the Convention, to build up the resilience of societies and economies negatively affected by response measures,]

[Also recalling that Parties should cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change; measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade,]

Warsaw International Mechanism on Loss and Damage*

The outstanding disagreement was on the composition of the permanent Executive Committee. The matter was subsequently resolved shortly after the closing of the SBSTA 41 session.

It is learnt that the Eastern European countries are lobbying for a seat on the permanent Executive Committee from the seat allocation of non-Annex I (developing country) Parties.

On the issue of subsidiary structures, there was agreement that the Executive Committee may establish subcommittees, panels, thematic advisory groups or task-focused ad hoc working groups, to help execute the work of the Executive Committee in guiding the implementation of the Warsaw International Mechanism. These bodies will include at least two members of the Executive Committee, one from a Party included in Annex I to the Convention and one from a Party not included in Annex I to the Convention.

(*with additional inputs from Doreen Stabinsky)

TWN

Lima News Update 19

www.twn.my

Published by
Third World Network

9 December 2014

COP/CMP: Many Decisions Reached, Focus Grows on 2015 Agreement

Lima, 9 December (Hilary Chiew*) – The second week of the climate talks is expected to be intense with the focus on the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) tasked to develop an agreement by 2015.

The President of the 20th session of the Conference of the Parties (COP 20) to the UN Framework Convention on Climate Change and the 10th session of the COP serving as the meeting of the Parties to the Kyoto Protocol (CMP10) convened a stocktaking plenary on 8 December at 7 pm.

COP President Manuel Pulgar-Vidal said during the first week, we have witnessed strong collective effort towards a successful outcome that we can all call our own which he described as ‘the Lima Spirit’. He said the progress should inspire us to obtain the outcome the world is expecting from us.

The objective of the stocktake, he added, is to ensure full openness where he would inform Parties of the status of work.

He assured Parties that he has been working closely with the chairs of the subsidiary bodies (SBSTA and SBI), the Co-chairs of the ADP and facilitators of (agenda items) of the COP and CMP. He will call upon the chairs to update Parties on the status of work for the coming days to ensure effective use of the remaining time leading to a timely closure of the conference.

On COP and CMP issues, Pulgar-Vidal said all agenda items had been launched successfully.

On the Green Climate Fund (GCF), he was glad to report that over the last week, additional pledges were received that brings the amount to US\$9.95 billion. He said the first biennial assessment of the climate finance flow as reported by the Standing Committee on Finance (SCF) represented a milestone for the UNFCCC as it provided the picture of climate finance flow and how it relates to the objective of the Convention. He said Parties continued to engage constructively on several matters related to finance.

He stressed that the two high-level ministerial dialogues taking place this week will further inject

energy into our discussion and urged for active participation of ministers.

(After the ministerial high-level segment opening in the morning of 9 December, ministers are scheduled to attend the Ministerial Dialogue on Finance in the afternoon of 9 December while the Ministerial Dialogue on the Durban Platform for Enhanced Action will take place in the afternoon of 10 December.)

He also noted that the total number of ratifications to the Doha Amendment (on the second commitment period of the Kyoto Protocol) now stood at 21 countries and he urged more Parties to ratify quickly.

On the CMP agenda item that is related to the Doha Amendment, Pulgar-Vidal said the informal consultation conducted by himself on the *Report on the high-level ministerial roundtable on increased ambition of Kyoto Protocol commitments* saw fruitful exchange of views and Parties are seeking to find a common way forward. (See TWN Lima News Update No. 14 for details: *No agreement on ‘revisit mechanism’ contact group to increase Annex I ambition* http://twn.my/title2/climate/news/lima01/TWN_update14.pdf)

He said Parties can expect results on most COP and CMP agenda items by 10 December.

Pulgar-Vidal also noted that the first part of the multilateral assessment involving 17 countries in Annex I (developed countries) undertaken by the Subsidiary Body for Implementation (SBI) was concluded a while ago (8 December), showing that the principle of openness and transparency was upheld.

However, he also informed that there are a few items of the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA) that were referred to the COP and CMP. He had appointed the chairs of SBI and SBSTA to conduct consultations.

SBSTA chair Emmanuel Dumisani Dlamini (Swaziland) said he would characterise progress in SBSTA in three categories: success, challenges and regrets.

For success, he said he is pleased that SBSTA 41 has concluded its work in a timely manner and that he had received feedback that SBSTA has helped Parties to focus on issues of importance.

The challenges, he said, were with the consultation on the work programme on the revision of the guidelines for the review of biennial reports and national communications, including national inventory reviews, for developed country Parties; and Implications of the implementation of decisions 2/CMP.7 to 4/CMP.7 and 1/CMP.8 on the previous decisions on methodological issues related to the Kyoto Protocol, including those relating to Articles 5, 7 and 8 of the Kyoto Protocol.

On the first item, he said Parties were able to work constructively but the amount of technical work is huge with 20 paragraphs still in brackets. But the group is working hard and aims to complete the work.

On the second item, he said Parties appeared to be willing to agree to a compromised text but some Parties need to consult further before a final agreement and he is hopeful to conclude in the morning (of 9 December).

The challenges also referred to the two joint agenda items with SBI which are the Warsaw International Mechanism on Loss and Damage, and the forum and work programme of the impacts of implementation of response measures.

Dlamini said as SBI's chair Amena Yauvoli (Fiji) was busy with the multilateral assessment, he (Dlamini) conducted the work on his behalf. On loss and damage, he said Parties are committed to concluding the issue and would be meeting one more time to conclude the outstanding issues. For response measures, he said Parties are also committed to concluding and are having discussions among themselves. He noted that the issue remains complex and difficult but is still hopeful that the issue can be concluded.

For all these agenda items, the deadline is noon of 9 December.

As for the regrets, Dlamini said a few agenda items were not able to be concluded here despite many Parties being very devoted to do so and they would be taken up at the next SBSTA session (in 2015).

SBI chair Amena Yauvoli (Fiji) said Parties concluded substantive work on Friday (5 December) and allowed Parties to agree on critical texts that paved the way for enhanced actions.

He said excellent work was achieved in the work on adaptation with the 'adaptation package' focusing on making progress in National Adaptation Plans where a draft decision will be forwarded for adoption of the COP. He said progress was also made on several other issues.

He was delighted to report on the work of the first working group session of the Multilateral Assessment. He said Parties engaged actively and

the atmosphere had been constructive and positive. Developed countries demonstrated that they are on track to meet their 2020 targets and are ready to implement new measures. He also said the process demonstrated the robustness of the transparency framework and sets the solid foundation for the 2015 agreement.

ADP Co-chair Kishan Kumarsingh (Trinidad and Tobago) reported that the ADP stocktake on Saturday (6 December) agreed to update the draft decision tabled last week with the proposals that Parties put forward and integrated those proposals which we tabled this morning, as well as an elements paper (on the 2015 agreement). 'Parties have started line-by-line negotiations. Parties have started giving textual paragraphs and we were able to consider the preambular paragraphs. We hope to continue parallel negotiations on the elements text,' he said. The first round of Parties' reflection on five different sections was still pending (this was done after the stocktake). Kumarsingh added that he and his Co-chair Artur Runge-Metzger hoped Parties will use the time effectively and conclude discussions on the draft decision and the elements paper by the deadline, which is Thursday, 11 December. Pulgar-Vidal also urged Parties to work in a transparent and efficient manner and give priority to the mandate in Lima.

Earlier in the day, Runge-Metzger had told Parties that new documents had been prepared. 'Improved elements for a draft negotiating text based on your very focused discussion and the specific textual inputs you have provided on the draft of the 11 November 2014 has been made available. This document attempts to reflect your work. It builds on constructive engagement and provides more clarity. Parties should focus on convergence and that should lead in the longer-term for a compromise if you have the right courage for that,' he had said. He added that the 'improved draft decision' was based on an extensive range of inputs which Parties had provided. 'The draft decision reflects the core synthesis that addresses all aspects of our mandate.'

'Apart from the texts, there was one theme that was recurring in negotiations on a number of areas in both the documents. That theme is differentiation. There was a call for a cross-cutting discussion. We hope your ministers can address this highly sensitive issue on Wednesday, 10 December. We have mentioned this to the COP President in having a political exchange on differentiation,' said Runge-Metzger.

In closing, Pulgar-Vidal urged Parties to continue working in a transparent manner and prioritise the work according to the mandate, adding that the ADP has to close on Thursday by building convergence and seeking for a compromised outcome. He said as this is a stocktake, he did not intend to take statement from Parties.

(* With additional input from Indrajit Bose)

TWN

Lima News Update 20

www.twn.my

Published by
Third World Network

11 December 2014

Developing Country Leaders Call for Urgency of Action and Comprehensive 2015 Agreement

Lima, 11 December (Hilary Chiew) – Developing country leaders made strong calls for a comprehensive 2015 agreement based on the principles of common but differentiated responsibilities and equity at the Lima climate talks.

The joint high-level segment of the 20th Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) (COP20) and the 10th COP serving as the meeting of the Parties to the Kyoto Protocol (CMP10) is taking place from 9 to 11 December.

Country groupings and several national statements were preceded by an opening ceremony on 9 December morning which heard the welcoming speeches by the COP President Manuel Pulgar-Vidal and UNFCCC's executive secretary Christiana Figueres and opening remarks from the President of the United Nations General Assembly Sam Kutesa (Uganda) and UN Secretary-General Ban Ki Moon (South Korea).

The joint high-level segment will conclude today (11 December). In addition to the national and group statements, a Ministerial Dialogue on Climate Finance was held on 9 December and a High-level Ministerial Dialogue on the Durban Platform for Enhanced Action on 10 December. (Separate reports will be available on these two events.)

Representing the Group of 77 and China, President Evo Morales of Bolivia reminded the audience that developing countries are the least responsible for climate change but still are the ones that suffered most from the adverse effects of climate change and frequencies of disasters that threatened the survival of these countries. He affirmed that the UNFCCC is the intergovernmental forum when it comes to negotiation on climate change. Therefore, international response to climate change must respect fully the principles and provisions of the Convention, in particular the principle of equity and common but differentiated responsibilities (CBDR).

He said the 2015 agreement must include all elements of the Convention including adaptation, provision of finance and technology transfers as a

holistic vision of climate change.

Continuing his speech in **speaking for Bolivia, President Morales** delivered an impassioned statement on the ills of capitalism that have resulted in climate change and the failure of developed countries to fulfil their commitments under the Convention. He made a strong call for no deception and manipulation to reach an agreement.

He pleaded for agreement that is based on preservation of Mother Earth and not based on earnings of the markets and capitalism. He said great civilisations took place in Latin America with a great deal of wisdom that leaves us with great legacy and we should try to orientate our decisions, taking into account the wisdom of our indigenous peoples. With the philosophy and wisdom of the indigenous peoples' civilisation, he said, let us create an anti-colonialism perspective.

Morales said we can spend days and nights holding discussion but let us not 'manipulate, deceive or confuse things' to reach an agreement and urged Parties to speak transparently.

He said the new agreement must be developed based on three principles: not being a thief, liar and not being lazy.

Illustrating his point about not being a thief, he referred to the recent Intergovernmental Panel on Climate Change (IPCC) which concluded that if we do not want a temperature increase of more than 2°C then we cannot emit more than 1,000 Gigatonnes of greenhouse gas by 2050 and if we do not want it to rise beyond 1.5°C, the quantity had to be even smaller at 630Gt.

He said the atmospheric space has to be shared based on the principle of equity but there are some countries that want to consume all of this space on their own. These countries, he added, had stolen from us during the colonial period and are still stealing the future of our children and grandchildren, the possibility of developing in a sustainable fashion and giving a better life to the people.

He emphasised that the current production and consumption patterns are committing ecocide on

Mother Earth and the people cannot live well if we continue with this same pattern of capitalism that favours a few. He reminded Parties that we are here to achieve a climate agreement for life and not for business and capitalists.

Stressing his point about not being a liar, Morales said those Parties cannot continue to say one thing but doing something else as this will not guarantee our future. He said they only think about business and we cannot allow powers that are interested in capital and not in lives that condemn humankind and Mother Earth to death.

On not being lazy, he turned on developed countries that do not want to increase their ambitions, let alone implement their commitments when it comes to adaptation, dispersion of finance, technology transfer and capacity-building. He also noted that some countries are promoting a new climate agreement where all the efforts are voluntary, condemning humankind to a temperature rise that could exceed 4°C. He said despite the apocalyptic forecast of the impacts of climate change, there are countries that do not want to take the opportunity to reduce emission and do not want to do anything to support developing countries in tackling climate change. He appealed to Parties not to destroy the atmosphere and the rights especially of the poorest to live.

‘Let’s not lie and deceive each other. Let us make ambitious commitments to save the integrity of Mother Earth by incorporating all the elements including mitigation, adaptation, finance and technology transfer and capacity-building (into the new agreement),’ he said.

Morales pointed out that the world has failed as a whole in seeking a substantive agreement for the last 30 years and we find ourselves destroying Mother Earth. He said the developed countries in the North which are mostly responsible for the destruction of nature have led us to a place where they are not prepared to commit to protect humankind, continuing to do what they had been doing for years through dialogues and negotiations but when it comes to securing the future of humankind, it is a monologue that has failed.

‘We’d been moved like pawns in a game while our experts have travelled the world over to find reasonable response from those that decide the course of history. Now we have to say nothing has changed in the last 30 years except the interests of capital,’ he said, adding that we would nevertheless, continue to hear more speeches that said we have made some progress and there is hope for the future.

He pointed out that only one-fifth of the military budget of the developed world could have solved our environmental problems.

He said further the ecological system that sustains our financial architecture has at its core, the free market policies that are only interested in profit

and consumption and this capitalist objective is the opening of global markets with endless free trade agreements that turn men and women into objects and Mother Earth into commodities.

He said capitalism would kill people for profit if it has to as their gods are money and profits, adding that we need to halt this trend and we need another civilisation that satisfies human needs, which uses science and technologies that produce useful things that help us to live well. He asserted that the environment is the common heritage of the people in the past and the future and if someone is profiting from the environment, then they are stealing from all of us.

Speaking for the Alliance of Small Island States (AOSIS), President Baron Divavesi Waqa of Nauru said the facts were so compelling even in those early days that it seems a matter of common sense that those Parties with the greatest capabilities to implement solutions will take the lead to combat climate change. He reminisced that those were the days where global cooperation was to advance and not to hinder global efforts.

Pointing out that this is only his second climate change conference since his election as President (of Nauru), he recalled typhoon Haiyan which narrowly spared the low-lying islands of the Pacific before unleashing its full force on the Philippines and (this year) upon arriving in Lima, he read the news about yet another harrowing typhoon event in the Philippines.

‘One would think that the image of a mother searching for her missing child in the flood would be a stark reminder (to act) but yet we do forget and pushed thought that is too much to bear out of our minds,’ he said, adding that humans tend to put off hard decisions till another day.

He said all in all, science tells us that we have five years for emissions to peak and to avoid total inundation of some Pacific islands, he asked if now is not the time to address climate change then when is (the time). The past decades, he added, have affirmed that we are capable of inflicting harm but it is not too late to be good stewards of land, sea, atmosphere and for each other. He stressed that responsible stewardship in the age of climate change is to lead by example. He said having ratified the second commitment period (CP2) of the Kyoto Protocol (KP), small island developing states (SIDS) have committed to some of the most ambitious emission reduction.

To give the most vulnerable countries a fighting chance, emissions must come down immediately, and he would like to see near-term reduction under the work of workstream 2 of the Ad Hoc Working Group on the Durban Platform for Enhanced Actions (ADP) by the end of the week. He said AOSIS expects clear indications of how the intended nationally determined contributions (INDCs) will

collectively prevent warming above the 1.5°C threshold which for many of the SIDS means the difference between life and death.

He also stressed the importance of building a credible loss and damage mechanism once and for all since discussion on climate change began a quarter century ago.

Tuvalu's Prime Minister Enele S. Sopoaga said he carried a huge burden and responsibility as the highest representative of his people at this meeting.

He asked, 'If you were faced with the threat of the disappearance of your nation, what would you do? I ask you to pause and ask yourself, what would you do?'

He said climate change is the single greatest challenge facing his country, threatening the livelihood, security and well-being of all Tuvaluans. The low-lying coral atoll nations of Kiribati, the Marshall Islands and the Maldives are also on the frontline of this battle against climate change.

Quoting the Italian poet Dante that 'the darkest places in hell are reserved for those who maintain their neutrality in times of moral crisis', he said those words are no less relevant today. He said humanity are all facing the biggest moral crisis of humanity. There is no place for neutrality or denial. The alarm bells are ringing loud and clear. If we do not do something now and do it with conviction and determination, we are condemning all future generations to an intolerable future.

He said he was moved by the over 370,000 people that came from all over the United States and other parts of the world to the Peoples' Climate March in September in New York. He heard the civil society call and demands, and he shared their concerns and hoped other leaders were listening too.

It's time to ignore climate change deniers that are driven by the fossil fuel industry, those driven by short-term interests and profits, as well as national leaders who do not believe in climate change. He said they only see the dollar sign but 'we see the eyes of children' and we need to answer to the latter.

Sopoaga said it is very apt that the fossil fuels we are burning today are made from extinct plants and animals, hence it signifies extinction. 'We must not condemn ourselves to extinction riding on the back of the extinct. We must strive for renewal. We must dramatically change our future to renewable energy,' he opined.

However, he saw glimmers of hope in a potentially grim future as he was heartened by the emission reduction announcements made by China and the United States and said that these two major powers must deliver on their promises and leadership to move beyond promises and take real action.

On the pledges by various countries to the Green Climate Fund (GCF), he said while it is progress, it is still a drop in the ocean as it is nowhere

near what is needed to transform society into a fossil-free world and a world secure from the impacts of climate change.

He said reaching a comprehensive new protocol in Paris (venue of the next climate conference in 2015) is absolutely essential, noting that we cannot repeat Copenhagen (venue of COP 15 in 2009) and cannot suffer the frustration and humiliation of being asked to accept a half-hearted response to a crucial global crisis.

He said the new protocol must be comprehensive and cover all issues in a meaningful way. It has to include effective mitigation targets for all countries and also deliver real outcomes on adaptation and loss and damage and the necessary finance to transform our societies. And it must deliver the technology and the necessary capacity-building to ensure everyone can respond to climate change and all these pillars are essential.

He said it makes no sense for some Parties to disagree to the inclusion of loss and damage in the agreement as we are inevitably going to suffer the impacts of climate change no matter how hard we try. Therefore, he stressed the need for a permanent arrangement on loss and damage that enjoys the highest level of political endorsement.

Sopoaga stressed that Tuvalu would not support a new protocol without a substantive programme on loss and damage. 'I hope that is clear to our partners,' he added.

Vice President of Tanzania, Mohammed Gharib Bilal, speaking as the representative of the coordinator of the **Committee of the African Heads of States and Governments on Climate Change (CAHSCC)**, underscored that climate change is indeed a challenge for Africa.

He said despite registering strong economic growth in recent years, most African economies rely on climate-sensitive sectors highly exposed to climate-variability, drought, and flooding which are disrupting agricultural production, endangering livelihood and health, and pushing marginalised groups further down into the vicious cycle of poverty.

He pointed out that 70% of agricultural land in Africa is already degraded, affecting 67% of the entire African population. A quarter (200 million) of the African population suffer from acute water shortage.

Bilal stressed that we must all work together towards an agreement that will help us to focus on strategic choices within the framework of the Convention that can ensure climate resilience and low emission development pathways for a sustainable future and that under the CAHSCC's leadership, Africa is already making such choices to contribute towards this goal through various efforts and initiatives.

Africa, he said, is committed to working with all Parties to achieve a legally-binding agreement in

2015. Stressing that the principle of common but differentiated responsibilities and respective capabilities should be upheld, any new agreement needs to be guided by the Convention, allowing the participation and considerations of all areas of interest within this instrument we all signed on.

In relation to the INDCs, Africa underscored the inclusion of all elements of adaptation, mitigation, climate finance, technology and capacity-building. Furthermore, the agreement should take into account the need for addressing loss and damage as a global concern.

He said each country should strive to take, in accordance to its national circumstances, bold and ambitious reduction efforts to ensure that temperature levels are limited to well below 2°C with developed country Parties taking economy-wide emission reduction commitments, and African countries to be supported financially and technologically.

In terms of climate finance, Bilal said despite the pledges to the GCF, Africa is concerned that the Least Developed Countries Fund (LDCF) and the Adaptation Fund are not getting the contributions as committed. He called on developed countries to honour their many commitments and pledges on climate financing at various fora. He also pointed out Africa's concern over the lack of clarity on REDD plus (referring to the forest-related mitigation activities, 'Reducing Emission from Deforestation and Forest Degradation') financing, particularly to the host governments and local communities.

On agriculture and food security, he noted that as Africa's socio-economic development is mainly hinged on the agricultural sector, which is increasingly being impacted by climate change, he urged developed countries to support the development and adoption of appropriate climate-resilient technologies in agricultural production, processing and value chain development to address the food security and poverty reduction imperatives in the continent.

He emphasised that adaptation should not be treated as a national problem as the short, medium and long-term costs of adaptation can never be met by African countries whose economies are dependent on climate-sensitive sectors. Africa, he said, therefore, calls for adaptation to be made a global goal in the 2015 agreement and urges developed country Parties to support adaptation as a global priority.

Govind Raj Pokharel, vice-chairman of the National Planning Commission of Nepal, speaking for the Least Developed Countries (LDCs) emphasised that climate change would have irreversible impacts on LDCs and some risk complete disappearance, pointing out that despite 500 decisions (taken at various climate talks), we are still losing the picture and warned that the window for action is rapidly closing.

However, he said LDCs are still optimistic that to achieve a carbon-neutral future remains at the present talks in Lima and next year in Paris. He called on all Parties to undertake ambitious mitigation action with economy-wide and long-term mitigation commitments by developed countries and other Parties in a position to do so to increase their ambition over time. He hoped that the Paris conference will bring forward legal parity for loss and damage, means of implementation and transparency of action and support.

Needless to say, Pokharel said, the LDCF needs to be replenished which has so far received US\$1million for the development of the National Adaptation Programme of Actions to respond to most urgent climate change actions but is far from enough to implement them.

Speaking also for the **South Asian Association for Regional Cooperation**, he said the group of eight countries recently adopted a statement that called for the post-2020 framework that is based on CBDR and equity.

Speaking for **Nepal**, Pokharel said mountainous countries like Nepal must be compensated for additional costs to development as impacts of climate change not only posed food and water insecurity but also affected tourism revenue.

India's Minister of Environment, Forests and Climate Change, Prakash Javadekar, believed that COP 20 is a COP of hope that will set us on a path of an ambitious, comprehensive and equitable agreement in Paris next year.

He said in the past, the world managed to secure successful global cooperation to solve global problems, citing several examples including the joint-collaborative research to fight HIV-AIDS, and wondered why this spirit of joint cooperation cannot be summoned to combat climate change.

'Why do we want to profit from disasters?' he asked.

Stressing that the new agreement is under the Convention, he reminded Parties to be clear that the CP2 of the Kyoto Protocol ends in 2020 but not the Convention which will remain. So, he said, it is evident that developing countries can do more if finance, technology support and capacity-building are ensured.

He further pointed out that ambition for the post-2020 period is directly linked to the ambitious actions in the pre-2020 period by developed country Parties, adding that otherwise, the poor in developing countries will not get the carbon space to achieve sustainable development.

Therefore, he said, developed countries need to fulfil their legal obligation in the pre-2020 period by scaling up mitigation ambition and fulfil their promises.

On INDCs, Javadekar said INDCs are to be nationally determined and not internationally

determined, hence there is no role for an ex-ante review. Furthermore, he said, INDCs should include all elements including mitigation, adaptation, finance, technology and capacity-building.

He hoped this COP will prove to be the exception to the rule, and finish its work by Friday evening of 12 December.

He said the Indian government under the new Prime Minister Narendra Modi has shown the political will to act and the work has started where the government has doubled the clean energy cess on coal and it now has US\$3 billion to promote clean technologies. The national solar (energy) mission has also been scaled up by five-fold which means an additional investment of US\$100 billion, noting that the world has debated for years over the pledged US\$100 billion but India has now invested the same amount on its own saving 155 million tonnes of CO₂.

China's Minister Xie Zhenhua, vice chairman of the National Development and Reform Commission, stressed the importance of following the principles of openness, full participation, transparency and Party-driven process in reaching consensus to achieve results for the Lima COP.

He said Parties must accelerate implementation and raise ambition. The Bali Roadmap provides the overall arrangement for pre-2020 international cooperation to address climate change and it is important to close the gap in emission reduction where developed countries will raise their ambition to 40% (reduction based on 1990 levels) for the pre-2020 period and honour their commitments of the annual financial support of US\$100 billion by 2020 as a basis of mutual confidence for reaching a timely agreement in 2015.

(The Bali Roadmap comprises the second commitment period of the Kyoto Protocol and the Bali Action Plan that covers shared vision, mitigation, adaptation, technology and financing.)

Xie stressed that the principles of CBDR and RC and equity are the principles that guide all our actions in the long term in finding agreement. He said for the past 20 years, the adherence (to these principles) has proved to strengthen the implementation of the Convention. He noted that the ADP negotiation is the continuation of this historical process where the agreement of 2015 will be the starting point to take forward comprehensive, effective and sustainable implementation after 2020.

He said in this way, we can strengthen our confidence and take practical steps to move forward, consolidate consensus and narrow differences guided by the principles and provisions of the Convention and would be able to implement in a comprehensive manner the various elements of mitigation, adaptation, finance, technology transfer, capacity-building and transparency so as to contribute to the blueprint of 2015.

Xie also said actions are key and developed countries should play a leading role in the early determination of their post-2020 ambition in mitigation, finance and technology transfer while developing countries will make greater contributions in the framework of sustainable development with the support of developed countries.

He hoped that COP 20 will provide clear decisions to provide contributions (referring to INDCs) and help Parties to submit their contributions next year according to schedule to show that together we seek low-carbon development and a brighter future.

He also shared China's efforts in reducing its emissions where it has brought down by 28% its emission intensity from the 2005 level or an equivalent of 2.5 billion tonnes of CO₂ emission in 2013 and its installed capacity of renewable energy accounted for 24% of the world's total. Between 2009 and 2010, China contributed to 58% of the accumulated total energy conserved in the world.

On the joint communiqué with the United States, he stressed that the efforts reflect the principle of CBDR and RC as well as respective national circumstances where China will try to peak its emission around 2030, where the share of fossil fuel will account for 25% of its primary energy and the targets are based on the desire to promote sustainable development at home as well as fulfilling its international obligations.

Xie further said that China will strengthen South-South cooperation by doubling its financial contribution to the South-South cooperation fund to support SIDS, LDCs and African countries, adding that China will continue to play a constructive role to build a global climate change governance system that is fair and reasonable.

Speaking on behalf of the **Community of Latin American and Caribbean States (CELAC)**, **Costa Rica's Minister of Environment and Energy Edgar Eduardo Gutierrez Espeleta** said the Convention shall remain the central instrument to guide the challenge of our time. The Group supported a legally-binding 2015 agreement that must respect the principles and provisions of the Convention.

In this process, he said, we need transparency with participation of all countries. He said the Group supports adaptation to be treated in a balanced manner as mitigation, and not just to be included in the new agreement.

He said to keep temperature rise to 2°C by the end of the century, the cost of adaptation increases if greenhouse gas emission does not decrease, therefore, clear actions by developed countries to scale up commitments particularly on how to achieve the US\$100 billion by 2020 would need rules of transparency.

Espeleta stressed that South-South cooperation in combating climate change is supplementary and

not an alternative to international cooperation, noting that the agreement must differentiate between Parties based on the principle of CBDR and RC that avoids back-sliding by developed countries.

Chile's Minister of Environment Pablo Bedenier, speaking on behalf of the Independent Alliance of Latin American and Caribbean (AILAC), said COP20 should lay the foundation for an improved regime that is applicable to all so that a low-carbon and even carbon-neutral world is possible in the mid-century.

He said progress towards a Lima draft is the basis for the ADP to reach a Paris Protocol by 2015, adding that AILAC seeks to promote a negotiation that will lead to a balanced vision of the Paris agreement covering mitigation, adaptation and

means of implementation that also reflects the individual contributions based on CBDR and RC.

He also said the Paris agreement has to be lasting and based on rules that are dynamic and allow us to enhance ambition over time.

Representing the Environmental Integrity Group, Juan Jose Guerra-Abud, Minister of Environment and Natural Resources of Mexico, said there is no time to lose and Parties need to make progress to produce a Lima draft text for the Paris agreement and make a decision to accelerate preparation for commitments in the new agreement and review them in advance in 2015. EIG, he said, had shown commitment to strengthen the multilateral regime as its members are taking actions and contribute to the GCF.

TWN

Lima News Update 21

www.twn.my

Published by
Third World Network

11 December 2014

Finance Pledges Far from Adequate, Public Finance Key, Says South

Lima, 12 December (Hilary Chiew) – At the high-level ministerial dialogue on climate finance during the Lima talks, developing countries' ministers stressed that private finance can only play a complementary role, the need for a definition of 'climate finance' and the inadequacy of current pledges to the GCF.

Developed countries' ministers focused their interventions mainly on how they have delivered their financial commitments, particularly in the recently concluded initial resource mobilisation for the Green Climate Fund and the role of private finance and investment.

The ministerial dialogue was held in the afternoon of 9 December in conjunction with the 20th session of the Conference of the Parties (COP20) of the UNFCCC and the 10th session of the COP serving as the meeting of Parties to the Kyoto Protocol (CMP10).

Belize speaking for the Alliance of Small Island States said it would need assurance before Parties leave Lima on how the annual US\$100 billion from 2020 will be scaled up.

Three Annex I Parties also took the opportunity to announce their contributions. Germany announced US\$50 million to the Adaptation Fund while Belgium pledged 51.6 million Euro and Australia pledged A\$200 million (about US\$166 million) to the GCF.

The dialogue was mandated by the Warsaw COP (decision 3/CP.19) where Parties decided to convene a biennial high-level ministerial dialogue on climate finance starting in 2014 and ending in 2020 and informed, inter alia, by the in-session workshops on long-term finance and the submissions on updated strategies and approaches for scaling up climate finance from 2014 to 2020.

COP President Manuel Pulgar-Vidal (Minister of Environment of Peru) opened the dialogue and invited members of the Standing Committee on Finance (SCF) Hussein Alfa Nafo (Mali), Hela Cheikhrouhou, the executive director of the Green Climate Fund (GCF) and Naoko Ishii, the CEO and chairperson of the Global Environment Facility (GEF) to brief participants on the progress of work

in their respective institutions to set the scene for discussion.

The dialogue session that followed was co-facilitated by South Africa's Minister of Water and Environment Affairs, Edna Molewa, and the United Kingdom's Secretary of State for Energy and Climate Change, Ed Davey.

Molewa in introducing the dialogue said it is to provide the unique opportunity for ministers to engage with each other and reflect on how current institutional arrangement and information tools for climate finance under the UNFCCC are providing countries with necessary assurance that international public finance is flowing and is indeed achieving its intended purposes and to further discuss the potential of scaling up funding and investment by engaging with different actors.

She said scaling up funding and investment by engaging with different actors towards climate change requires effectively articulating financial resources with appropriate institutional arrangement and information framework that support the mobilisation, deployment and the use of those funds.

Transparency, she added, is central to this articulation and it is essential to ensure predictability and effectiveness in the provision of finance. Therefore, input from Parties, technical bodies and processes under the Convention as well as outcome of the extended work programme of Long Term Finance (LTF) will inform Parties at the dialogue.

She then asked ministers and heads of delegations to try to speak to three questions:

1. To what extent are the Convention's information tools and institutional arrangements for climate finance working together to ensure the predictability and scaling-up of international climate funding?
2. How can these strengthen in-country decision-making processes and mobilise further funding and investments while encouraging the engagement of non-state actors?
3. How can Parties ensure that articulating the current arrangements into a robust institutional

framework and an effective information system provide the necessary transparency and predictability in the provision and use of climate finance towards a post-2020 world?

Below are highlights of several statements made at the dialogue.

Bolivia's President Evo Morales said although the Convention has set up a financing model based on developed countries supporting developing countries, in practice, things were not working in that way. He noted three trends that governed our views – commercialisation of the environment and Mother Earth, the transfer of commitment from developed countries to developing countries, and transfer of responsibilities from public sector to the private sector.

He called for a compound index of country participation based on the historical responsibility of countries, technology capacity, ecological footprint and state of development.

China's Minister Xie Zhenghua underscored that funding is one of the core issues in the negotiation of the Convention and that the financial obligation to combat climate change cannot be transferred to developing countries in the name of innovative finance.

He said it is imperative to decide on a time table for developed countries to develop a clear roadmap in Lima by specifying the annual amount of public finance by developed country Parties and scaling up of the resources each year up to 2020 for developed countries to honour their commitments that were adopted in decisions in the Cancun, Doha and Warsaw COP sessions.

He also said the Lima conference should take a political decision for developed countries to put forward a larger scale of financial support to inject new impetus into climate finance. He said we should ensure that the GCF receive adequate and sustained funding, noting the big gap that remains despite the near US\$10 billion capitalisation of the GCF.

India's Minister of Environment, Forest and Climate Change Prakash Javadekar said we should be honest in shouldering our responsibilities in meeting the challenges, asserting that the beautiful balance of collective action – the principles of equity and common but differentiated responsibilities – should form the basis of continued action. He reiterated that it is evident that developing countries could do more if finance, technology support and capacity building are to be ensured and this must be a key focus of the new agreement.

He stressed that it is important therefore for developed country Parties to urgently fulfil their legal obligations in the pre-2020 period. They must scale up their mitigation ambition now and urgently fulfill their promises for providing financial and technological support to developing countries.

Speaking for **the Caribbean Community (CARICOM)**, St Lucia's Minister of Sustainable Development, Energy, Science and Technology James Fairchild said the costs of climate change impacts in his region had exceeded its limited domestic resources. Many countries are forced to resort to debt-financing to deal with its ex-ante adaptation requests and ex-post cost of recovering from damage and destruction left by extreme events.

'Furthermore, the frequency of extreme weather events retard our development progress as we find ourselves in a constant cycle of rebuilding, rehabilitation, restoration and recovering as opposed to developing and building resilience. The threat to the very existence of nations such as ours is very real,' he added.

He welcomed the operationalisation of the GCF and the near US\$10 billion (over four years) so far is a good start but noted that it is still far from the US\$100 billion per year by 2020.

To scale up, he said the definition of climate finance may sound trivial but it will give clarity to measure what is received as climate finance. 'We had seen some countries repackaging existing official development assistance (ODA) but reporting and referring to them as new and predictable climate finance. This is incorrect. In our view, climate finance must be funds entirely aimed to address climate change and are new and additional to ODA,' he stressed.

(Under the UNFCCC, developed countries committed to provide new and additional financial resources.)

On transparency, he said it is to assess that the funds are achieving their desired impacts and if Parties are delivering on their pledges. Therefore, the measuring, reporting and verification of support has to be an integral part of the 2015 agreement.

Fairchild said further there is the need to explore new sources of finance and the work programme on LTF has identified new innovation sources such as the auctioning of emission allowance, carbon offset, financial transaction taxes, levy on market mechanism and carbon taxes.

He said Parties should also simplify preconditions for access as well as improve and prioritise such access by small island developing states and other vulnerable countries. He said CARICOM looked forward to political commitment and global agreement for annual scaling up of finance towards the US\$100 billion a year by the 2020 mark with milestones set for between 2015 and 2020.

Belize, speaking for **the Alliance of Small Island States (AOSIS)**, said we can all agree that transparency and predictability are needed to build trust and mutual credibility, which are the bedrock of cooperation and concerted action.

It is of the view that the function of the financial information tool to ensure predictability and scaling

up is limited because their outputs are out of sync with the political cycle that they intend to influence. For instance, it said the financial information reported in biennial reports (of Annex I Parties) will not be issued until 2014 which is well after Parties have concluded the Paris agreement. Similarly, developed countries' submission on the scale-up of climate finance will not be ready for Paris nor will it be ready for the next biennial assessment of the SCF.

It said there is also a need to understand how the recipient countries view climate finance against what is reported by developed countries. It pointed out that information is too late to make a difference and is often on past flows, which do not necessarily indicate how climate finance will be scaled up.

It however said we can work towards improving the information tool but from the outset Parties would need robust information particularly on public finance on an annual basis, a common reporting format with comparable information, and agreement on a simple set of definitions.

On the capitalisation of the GCF, it said it is still far more off the mark of the US\$100 billion per year by 2020 and that it is incomprehensible at this stage how developed countries will scale up finance to meet that goal, stressing that we need the assurance before leaving Lima.

Minister of Environment for Egypt, Dr Khaled Fahmy, said finance has been a cornerstone of all documents and decisions that relate to our work on climate change not only under the Convention but also through different processes including lately the UN secretary-general high-level meeting on climate change in New York. He pointed out that in the Convention, we agreed to ensure adequacy, predictability, additionality and clarified the responsibility of Parties in line with the principles and provisions of the Convention.

He said we are not starting our discussions from scratch but rather building on a wealth of work, reports, decisions, agreements that all provide guidance to our work on climate finance, noting the financial mechanism and several funds and that we had also explored some sources like the carbon market in relation to the Adaptation Fund and the regular replenishment in the GEF, LDC Fund, the Special Climate Change Fund (SCCF) and the initial resource mobilisation for the GCF.

He said transparency was dealt with through the reporting mechanism and lately through the SCCF's biennial assessment report on flows of finance from developed countries.

On the question of tools, institutions and framework, he said we had done a good job. However, he reminded Parties that the main goal of all our work since COP1 was to ensure the predictability, sustainability, adequacy and additionality means of implementation flow to developing countries to allow for their effective

engagement in the global effort to combat climate change and achieve the objective of the Convention.

Dr Khaled felt that we did achieve partial success with the fast-start finance (of US\$30 billion) where quantified financial commitments for three years were agreed which allowed for decision-makers to put climate change within their development strategies. Unfortunately, it was not complemented by clear targets on mid-term building towards the US\$100 billion annual goal from 2020.

He believed that the operationalisation of the agreed terms provides the needed and missing element on finance. He added that on predictability and sustainability, Egypt is of the view that longer-term quantified targets by each developed country would fulfil the burden-sharing requirements, allow for enhanced scaling up of financial resources, assist developed country Parties to plan for their future contributions in their budget cycles and also allow for further clarity on the availability of financial resources to the different channels including the existing funds.

On additionality, he said it is important to work on the methodologies that relate to transparency and ensure additionality and the ODAs are not repackaged as climate finance.

On adequacy, Dr Khaled said finance captured under the new agreement should be directly related to the temperature goal that we agreed to which is below 2°C, and we should acknowledge the goal of US\$100 billion annually is a floor and not a ceiling of climate finance.

He also said Parties should enhance accessibility and country ownership which would come from developing countries identifying their needs in both mitigation and adaptation, allowing for strengthening of the in-country decision-making and the full engagement of different levels of decision-making. Clarity on criteria for accessing the provisions of finance is also a very important element for enhancing and scaling up finance and it is related to the clarity of criteria used by developed countries in disbursing financial flows.

On the issue of enabling environments, Egypt is of the view that it is a two-fold issue – developing countries need to identify the specific sectors that are the priority which would help in identifying the needed policies while the developed countries would need to deal with clarity on criteria of funding and policies to encourage private sector and other funding entities from developed countries to consider funding programmes and projects that relate to climate change in developing countries.

He also stressed the importance of strengthening the role of the current funds as main elements in the finance architecture especially the GCF and Adaptation Fund whereby we agree on the scale of the funds and their sustainability through securing permanent resource mobilisation.

Welcoming the pledges made that are amounting to almost US\$10 billion, he said further agreement on permanent replenishment with an agreed minimum scale would be necessary. He also noted the importance of providing complementary resources to fulfil the US\$80 million targets in 2014 and 2015.

On the future architecture of finance beyond 2020, Dr Khaled believed that the current financial mechanism and its implementing entities should be part of the post-2020 architecture as well as the clear process that allows for regular assessment of the needs of developing countries in line with the temperature goal of below 2°C, quantified targets and enhanced transparency mechanism already in place.

Mali said the deficit in finance is alarming and the lack of clarity of public finance is of concern. It said the amount pledged to the GCF is merely a factor of five of the US\$100 billion promised. He also called for a roadmap to be finalised here in Lima as a transparency system for climate finance is essential.

United States climate change envoy Todd Stern said news of climate finance is not perfect but it is good, alluding to the amount of nearly US\$10 billion pledged to the GCF. He also said donor countries are on their way to meeting the US\$100 billion by mobilising a wide variety of sources. He stressed that while many think that public finance is what matters, he insisted that the US\$100 billion promise was always based on public and private sources and the joint goal is to drive investment.

TWN

Lima News Update 22

www.twn.my

Published by
Third World Network

11 December 2014

ADP: Contact Group Suspended, G77 and China to Propose Way Forward

Lima, 11 December (Indrajit Bose) – As the contact group under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) convened in the morning of 11 December, the penultimate day of the Lima climate talks, the question hanging in the air was: what next?

There is deep divergence among Parties over differentiation and the principle of common but differentiated responsibilities, the scope of the 2015 agreement, and the intended nationally determined contributions (INDCs).

Parties went on till past midnight on 10 December giving textual proposals on the draft decision that had been prepared by the ADP Co-chairs for the Lima COP session. The initial version of the draft decision, which was 18 pages, is now about 60 pages, with numerous alternative proposals to paragraphs by Parties. These proposals are essentially the differences Parties have over issues.

(Several developing country delegates have said over the past few days that discussion of text on a screen with Parties inserting their proposals should have started at the earlier meetings of the ADP this year as demanded by many Parties. Instead, Parties are now pressured to conduct a Party-driven process in less than a week.)

As ADP Co-chair Artur Runge-Metzger (European Union) convened the ADP contact group on 11 December, he pointed to the areas of divergences and asked of Parties how they wanted the process to move ahead. At this point, the Group of 77 countries and China (G77 and China) pointed out that they are working on a proposal that would provide more clarity about the next steps and how to move forward in the process.

Metzger asked of other Parties their views and since there were no comments by any other Party, the meeting was suspended until further notice. The meeting lasted less than 20 minutes.

Until the next contact group is announced, it is expected that Parties would be meeting in groups and building momentum on the way forward. Conversations in the corridor reflect the nervous anticipation over what will be the G77 and China's proposal. Some are also huddling in the corridors or in the makeshift cafes at the venue and discussing how the next 48 hours will pan out. But above all, central to everyone's minds is how the differences will be resolved.

Some of differences include the scope of the 2015 agreement, the scope of the intended nationally determined contributions (INDCs), when they should be submitted, whether they should be reviewed before Paris as well as arrangements under the pre-2020 track of the ADP, called Workstream 2.

A crucial area of divergence is differentiation, which cuts through all the areas of divergence. While the majority of developing countries want differentiation to be as per the binary division of annexes as agreed in the UN Framework Convention on Climate Change (UNFCCC), developed countries say they cannot adhere to a binary structure and have proposed other forms of differentiation aimed at breaking the firewall between developed and developing countries.

(This fundamental shift in the Convention would change the balance of obligations and commitments in the Convention that is rooted in historical responsibility of developed countries that was accepted at the birth of the Convention, reflected in the principle of common but differentiated responsibilities.)

During the high-level ministerial dialogue on the ADP on 10 December, the European Union said it was willing to have the ADP Co-chairs produce a 'clear and simple' text of the Lima decision. The EU also requested the COP President 'as a final resort' to 'step in and convey the very controversial issues

to ministers for resolution'. Switzerland supported a 'streamlined' text by the Co-chairs. However, the majority of developing countries remain committed to an open, transparent and inclusive process given the severity of the decision and its implications for the 2015 agreement.

The ADP is officially supposed to close on 11 December and forward the draft decision for adoption to the Conference of Parties, which is scheduled to end on 12 December. However, it is expected that as happened with previous COP sessions, the Lima talks too might stretch into overtime. No one is sure until when.

TWN

Lima News Update 23

www.twn.my

Published by
Third World Network

12 December 2014

ADP: Parties to Negotiate New Draft Decision Text on Final Day

Lima, 12 December (Indrajit Bose) – The second last day of the twentieth session of the Conference of Parties (COP20) on 11 December concluded with a new draft decision text prepared by the Co-chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) in Lima.

The ADP contact group meeting, the third in the day, concluded a little past 11 pm, with the Co-chairs handing out the draft decision and explaining to Parties that there would be no further negotiations that night.

Around 7 pm, COP President Manuel Pulgar-Vidal assigned the task to Co-chairs Artur Runge-Metzger (European Union) and Kishan Kumarsingh (Trinidad and Tobago) at an informal stocktaking plenary and asked them to produce the text in the next two hours. This unfolded after an entire day of Parties trying to achieve consensus on the way ahead.

During the first contact group meeting of the ADP in the morning of 11 December, the Group of 77 and China asked of the Co-chairs for some time to come up with a proposal on the way ahead (see TWN Update 22: ADP: *Contact group suspended, G77 and China to propose way forward*). When the group comprising over 130 developing countries presented their proposal on the next steps for the ADP to conclude negotiations in Lima, developed countries unanimously rejected the proposal.

Bolivia, for the G77 and China, explained that the group had split the discussions into pre-2020 (Workstream 1) and post-2020 (Workstream 2) tracks. Bolivia clarified that the Group was not proposing a new text and would address the text Parties had spoken to in the second week of negotiations, and called for negotiations to begin based on the text with several options. (The Co-chairs had produced a draft decision on 8 December and all Parties had negotiated line by line and proposed alternative paragraphs.) Bolivia said that the group had found common ground on a lot of the paragraphs and needed some more time to conclude deliberations on Workstream 1. It also proposed a ‘friends of the chair’ format to resume discussions.

As discussions progressed, most developed countries refused the G77 and China more time to discuss Workstream 1 and said the world is waiting for a signal and that time is running out. ‘It is too late. We had two weeks. We spent two days making proposals. How long do we need to go paragraph by paragraph now? Do you really believe we can finish that tomorrow? We need the help of the Co-chairs to come up with a new concise text,’ Japan said to the Co-chairs.

Nauru said it wants a break for 30 minutes since breaking into two groups, the G77 and China had not had a chance to come back together in a plenary and asked of the Co-chairs to convene in 30 minutes, but to no avail.

‘We are still not clear how we think this process would lead us. We are already at 6 pm. There isn’t any time left.’ The Marshall Islands asked the Co-chairs to facilitate discussion, to which Kumarsingh said, ‘The Co-chairs are willing to lead, but we are in a Party-driven process.’

Speaking for the Like Minded Developing Countries (LMDC), Malaysia said that they had all started on a wrong foot. ‘You would recall we were presented with a text which was unbalanced. Developing countries have been pleading for several years, providing conference room papers for our views to be incorporated so that we start with a balanced text,’ it said. ‘We have made progress and what we have reflects the concerns of countries. You must appreciate we have a wide range of views and constituencies to consult. You ask us if we have made convergence. We ask you, do you have convergence among developed countries?’ asked Malaysia.

[The LMDC had submitted a conference room paper (CRP) on 2 June 2014 on ‘Elements for a Draft Negotiating Text of the 2015 ADP Agreed Outcome of the UNFCCC’ during the June ADP session. The Group also submitted a CRP on intended nationally determined contributions at the same session, and this was followed by a CRP on accelerating the implementation of enhanced pre-2020 climate action at the October ADP session.]

Discussions, however, had to be suspended because the informal stocktaking was scheduled at 6 pm.

In the middle of all this, media reported on the leak of a draft text doing virtual rounds of the Lima corridors and the news caught fire and kept the atmosphere charged, as the G77 met to work on the way ahead in two groups, and observers waited in queues for the meetings to resume. Social media was abuzz with warnings that there should be no parachuting of texts from the sky. People on twitter even named it the ‘accidental text’. It drew this name because it was reported that the draft text was ‘accidentally’ uploaded on to the UNFCCC (United Nations Framework Convention on Climate Change) website and then taken off.

As news of the ‘accidental’ text spread, delegates and observers expressed concern that having such a text at the last minute would be counterproductive to the trust Parties had built over the past week and go against a Party-driven process. Besides, several groups that analysed the text are reported to have said that it did not reflect what the developing countries wanted since it did not

adequately cover the principle of differentiation – the cornerstone of the Convention. However, the text itself remained a hush-hush affair all through, with no official confirmation from the UNFCCC Secretariat about the ‘leak’ of such a text.

As the day continued with no consensus on how to progress with ‘textual negotiations’, in the words of Kumarsingh, the COP President Manuel Pulgar-Vidal convened an informal stocktaking session wherein he outlined the importance of arriving at a decision in Lima and encouraged Parties to strive to achieve consensus. ‘We are one day from the closure and we want to achieve what we have identified as the result of the conference. We want to give a clear and strong message and move the process forward,’ said Pulgar-Vidal. He instructed the Co-chairs to produce a draft decision text, which the Co-chairs did a little after half past 10 in the night.

An initial reading of the text revealed that the text does not address differentiation between developed and developing countries and in its current form is a regression from the UNFCCC – a major bone of contention among Parties. Parties are to take it up for negotiation on 12 December.

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

15 December 2014

COP20 Concludes with Decision, After Day of Drama

Lima, 15 December (Indrajit Bose and Meena Raman) – A little past 1 a.m. on Sunday, 14 December, nearly 40 hours after its scheduled closure, the UNFCCC's twentieth session of the Conference of Parties (COP20) adopted the 'Lima Call for Climate Action' as the outcome of the two weeks of climate talks under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), a feat that was felt impossible as the talks verged on collapse.

The ADP is the body dealing with the process to arrive at a new agreement to be concluded in Paris next year under the UNFCCC, which is to take effect in 2020.

The final decision did not come easy, and several iterations of the document had to be prepared before Parties could adopt it. Previous versions of the draft decision, prepared by the ADP Co-chairs, did not reflect the views of several developing country Parties and there were issues on which Parties remained deeply divided (see TWN Update 8: ['ADP: Crisis over method of work on draft decision text'](#)).

With the talks on the brink of failure, it took the COP20 President Manuel Pulgar-Vidal, the Minister of Environment of Peru, to step in and assume charge.

On Friday, 12 December, ADP Co-chairs Artur Runge-Metzger (European Union) and Kishan Kumarsingh (Trinidad and Tobago), under the guidance of Vidal, had prepared a draft decision and distributed it to Parties late evening. Parties had sought more time to go through the decision and the ADP was suspended for the night (see TWN Update 23: *'ADP: Parties to negotiate new draft text on final day'*).

On Saturday, 13 December, when the ADP convened, most developing countries spoke in a loud and resounding voice rejecting the text prepared by the Co-chairs, as they said it was unbalanced and did not reflect key issues such as differentiation between developed and developing countries and principles of equity and common but differentiated responsibility (CBDR).

Other major sticky issues were the lack of any financial contribution for the post-2020 period, disagreement over the scope of the intended nationally determined contributions (INDCs) in lieu of the 2015 agreement and a process for review of the INDCs next year, failure to include the issue of 'loss and damage' and very weak pre-2020 climate action. (Separate article on this exchange to follow).

In rejecting the ADP Co-chairs' draft decision, the developing countries also appealed to the Peruvian Minister to intervene and to restore balance in the decision by reflecting the concerns of developing countries. Developed countries on the other hand wanted the Co-chairs' text to be approved immediately at the plenary.

Following the reactions from Parties, ADP Co-chair Metzger announced that there was no consensus in the room and 'under our own authority, my Co-chair and I will transmit the text to the COP President so he may lead consultations to agree on a text'.

Assuming charge, Vidal said, 'I assume my responsibility with clarity and dedication to take this process forward. We will achieve it together, maintaining the spirit of trust and transparency.' He added that he would meet with groups of countries through the afternoon and come up with a new version of the draft text that would be 'balanced'. He urged countries to come with solutions when they met with him.

With the talks in crisis, what followed were closed-door meetings and negotiations of groups of countries with the COP President for the next eight hours. In these meetings, the COP President attempted to find out what Parties could live with and what their red lines were.

Meanwhile, the weather outside had taken a turn and it had become chilly as observers and other attendees waited in nervous anticipation of what the next steps would be and how difficult issues would get resolved. Many delegates were on the way to the airport or had already left. Some just slept off on their chairs and beanbags, given that negotiations had gone on until 4 am the previous day.

The COP convened again around 11.30 pm on Saturday and the draft decision prepared under the charge of Minister Pulgar was handed out to Parties. After its distribution, Parties were given a little over an hour to go through the decision in detail. Following the break, the Parties met again.

With the words, 'it is so decided', the COP President gavelled the decision – without any Parties raising any objection – thus adopting the Lima Call for Climate Action. The decision now was viewed as having more balance, with language on CBDR, reference to 'loss and damage' and with the scope of

INDCs not being mitigation centric. Language to the effect that the INDCs would not pre-judge the Paris agreement is also there.

There would also be no ex-ante review of the INDCs prior to Paris. (Separate article on analysis of the decision to follow).

Welcoming the decision, groups of Parties gave brief statements appreciating the manner in which the COP President had handled the work and how Lima had paved the way for the Paris agreement.

(More articles to follow).

TWN

Lima News Update

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www.twn.my

Published by
Third World Network

16 December 2014

SBSTA: No Resolution on Market Approaches Talks

Lima, 16 December (Kate Dooley) – For the second year in a row there has been a failure to make any progress on market and non-market-based approaches under the UN Framework Convention on Climate Change.

At the recently concluded climate talks in Lima, Peru (1-12 December) conflicts arose between those wanting to move forward on technical work, and those wanting a clear political mandate to guide the discussions.

Under the direction of the contact group Co-chairs **Ms. Mandy Rambharos** (South Africa) and **Mr. Peer Stiansen** (Norway), the closing meeting for agenda items 12(a) – Framework for Various Approaches (FVA), 12(b) – Non-market-based approaches (NMA), and 12(c) – New Market Mechanisms (NMM), met on 5 December, where Parties failed to reach agreement on the options presented to them by the Co-chairs. In the absence of any consensus on the way forward, the issues will be carried forward to the next session of the UNFCCC Subsidiary Body for Scientific and Technological Advice (SBSTA) in June 2015, reverting back to the outcomes reached at the last SBSTA meeting (June 2014).

The key tension revolved around some Parties saying it was difficult to define a work programme on the use of markets in the absence of clear guidance from the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP). Many Parties commented that markets are a facilitation tool – they are flexibility mechanisms to implement targets that are legally binding, and to raise ambition, yet ambition is not being raised, and many countries that do not want a legally binding outcome, also want market mechanisms.

Brazil argued strongly to close this agenda item under the SBSTA, and China said that there needs to be a clear mandate, and that it was not possible to conduct this work without prejudice to the ADP (that is working on a protocol, legally binding agreement or outcome with legal force by 2015). Many other countries, including the United States and the European Union, took the position that markets are

an important part of increased ambition, and transparency is needed to track units and avoid double counting, hence the rules and accounting rules for market approaches should be developed under this agenda item. Bolivia and the African Group noted that this agenda item is a package, so that all three sub-items, including non-market-based approaches, should be opened and closed together.

In the final contact group, the Chair of the SBSTA, **Mr. Emmanuel Dumisani Dlamini** (Swaziland), addressed Parties to highlight the urgency of making progress on this issue, and to underscore the fact that there is no further time, saying that if there is no agreement in this group, rule (of procedure) 16 applies that we move everything to the next session, and any progress made in Lima is lost. The Chair reminded Parties that SBSTA does not deal with political issues, and while there will be some who say why do we need markets at all, the Chair asserted that, ‘in truth, there is no life on this earth without carbon markets’.

Dlamini said further that there are many mushrooming carbon markets (including REDD+ and LULUCF), and this group is dealing with how to govern them. He said that carbon trading is a broad thing, and it is the only thing advising us on delivery of the objective of the Convention. The Chair finished by saying he was not here to negotiate, but to encourage Parties to keep what they have worked on and to underline that there is no additional time available in any SBSTA agenda item.

Co-chair Rambharos thanked the SBSTA Chair for his guidance, which she said gives a good context for the group’s work. Rambharos then opened all three agenda sub-items consecutively, introducing draft conclusion text to the Parties.

Rambharos outlined three separate conclusions, one for each agenda sub-item, which each followed the same format. In each draft conclusion, there were three options. Option 1 is for a decision to be forwarded to the Conference of Parties (COP) including principles for the FVA, the NMA and the NMM, and calls for submissions to further develop these; Option 2 is a procedural option to close this

agenda item under SBSTA with a view to continue under the ADP; and Option 3 is for draft conclusions that continue this work programme under SBSTA next year, calling for submissions from Parties and observers and a technical paper from the Secretariat.

Brazil opened the floor to say that it prefers option 2, in line with positions it had expressed previously.

China, Bolivia, Saudi Arabia and Paraguay also expressed preference for option 2, with some noting that amendments to the text would be needed, and that in particular it was not necessary to refer to the ADP. India said there was not a clear mandate on which to base a decision text, and in light of the current focus in this work stream on FVA and NMM, it would prefer option 2, to close the work programme.

The United States (US) said that it preferred option 1, and welcomed the opportunity to further develop these agenda items, and looked forward to hearing Parties' views on the tracking and transparency of infrastructure. The US said it understands the diversity of views in the room related to market-based mechanisms, and hoped to eventually move towards convergence on an international emissions tracking transparency infrastructure.

New Zealand, Australia, Japan, Panama on behalf of the **Coalition for Rainforest Nations**, **Switzerland** on behalf of the **Environmental Integrity Group**, the **European Union (EU)**, and **Norway** also supported option 1, saying that further technical work will be useful and important for markets now and in the future.

South Africa, speaking on behalf of the **African Group**, supported option 3, saying further submissions will assist Parties in sharing information on the technical issues under discussion over the past few years.

Following this, several Parties said that in the spirit of compromise, they would be willing to move to option 3. The group then broke for internal consultations for 20 minutes, and on reconvening, many Parties and grouping of countries, including the US, the Coalition for Rainforest Nations, Australia, the Environmental Integrity Group, and the EU, said they would like to continue discussions on this agenda item, preferably under option 3, as option 1 might not be the preferred option for some countries.

Brazil again intervened to say that it did not want to stop the work, but believed that there will continue to be differences in this contact group, and that work would progress more efficiently once a new agenda item was started under the ADP, giving clear political guidance and focus to the work.

The US said it was willing to move to option 3, but it could not support option 2, which would result in an insupportable delay in this work. The

US expressed disappointment there would again be no outcome from this agenda item under SBSTA.

Japan said it did not want to close the work programme here because the ADP is post-2020 and this forum also needs to put in place a pre-2020 framework for the use of markets.

Bolivia, Saudi Arabia and Ecuador all expressed support for Brazil's position that this work programme under the SBSTA should close so that this discussion could happen in the context of a clear political mandate.

With no consensus among Parties, the agenda item was closed with no conclusions to be forwarded to the Chair of the SBSTA.

The group had met previously during the week in an opening contact group and then two further informal consultation sessions before the closing session. The opening contact group is reported in TWN Lima News Update No. 5, and some of the key interventions from the mid-week 'informals' are reported below.

In informal consultations on **Tuesday 3 December**, Parties exchanged views on draft text presented by the Co-chairs, with discussions centring around the purpose of the discussion on markets, and Brazil putting forward strong arguments to close this agenda item under SBSTA, and to wait until there was a legally binding instrument in place that creates a need for flexibility mechanisms.

Brazil thanked the Co-chairs for the draft text, but explained its concern relating to the context in which this group was operating. Brazil noted that some Parties had mentioned that the ambition in their intended nationally determined contributions (INDCs) depends on the existence of an FVA to recognise international transfer of units. Brazil said that it is very difficult to define a work programme under the FVA in the absence of clear guidance that needs to be established under the ADP process, reminding Parties that markets are facilitation tools, they are flexibility mechanisms to implement targets that are legally binding, yet some Parties who wanted an FVA decision in Lima were not even agreeing on having a legally binding outcome of the ADP process. Brazil said for the post-2020 period, we need to agree on a legally binding outcome without which we cannot envisage the need for flexibility, suggesting that it was time to close this agenda item under the SBSTA.

China supported Brazil's proposal to conclude the discussion, saying there needed to be a clear mandate, and that it was not possible to conduct this work without prejudice to the ADP. **Bolivia** and **Saudi Arabia** also shared the concerns of Brazil and China, saying they would like to suspend this work.

The US suggested that new submissions should focus on accounting and institutional arrangements of the framework and that it would like to see text come out of Lima, especially looking at accounting

and double counting in the pre-2020 work. The US said that markets are an important part of increased ambition, but that transparency is needed. It said emission reductions should not be double counted and double claimed, and for this regulations for markets need to be developed.

New Zealand, Japan, Canada, Norway and others said it was important to continue with the technical work, for both pre-2020 and post-2020 use of markets.

The EU said that it wanted a rules-based system that is legally binding, and here we can work on technical details of regulation and we should use the time available in this agenda item to do that.

South Africa said that the FVA is linked to the ADP as well as to targets, and these links would inform the tempo at which this group could move. It said there are issues of standards and double counting to deal with, and that the aspect of information sharing needs to continue.

In the next contact group, on **Wednesday 3 December**, Co-chair Stiansen opened the discussions saying that over the past day he had heard the views that this matter could be concluded here, that focused technical work on pre-2020 could be useful and that Parties were seeking clarity on environmental integrity standards and means to avoid double counting, then opened the floor for further reactions.

Brazil again reiterated its position from the day before, saying after reflecting on the text, it is more certain the best way forward is to close this work programme. Brazil said it hopes the draft elements of the agreement under the ADP in Lima will confirm the use of market and non-market approaches, which will then provide the opportunity to reconvene this discussion with a clearer way forward to discuss these mechanisms in the post-2020 context.

(The elements of the 2015 agreement under the ADP will be negotiated starting in February next year.)

The EU said it was important to keep working, and **Canada** said that submissions would be useful next year to make progress on transparency and what we can do about double counting (tracking, reporting, identifying credits by serial numbers etc.), and environmental integrity. **Switzerland** on behalf of the **Environmental Integrity Group** also highlighted the need to move forward on discussing accounting rules. **New Zealand**, supported by **Australia**, said there was no reason why SBSTA could not move forward with technical work, and technical elements are needed to help support future decisions.

Panama, on behalf of the **Coalition for Rainforest Nations**, said the process to move these discussions to the ADP would be a COP decision and that it was not a matter of stopping the FVA, but moving it somewhere else and the timing.

Japan said it would like to start discussions of markets in the ADP, to elaborate Parties' views on markets in the 2015 agreement, and so in that sense it fully agreed with Brazil, but was not sure such a specific issue would be adopted under the ADP in Lima.

Chile, on behalf of the **Independent Alliance of Latin America and the Caribbean (AILIC)**, said it understood Brazil's suggestion to postpone discussions because the use of markets and non-market-based approaches will be included in the new agreement, but Chile said these discussions under the SBSTA were for the pre-2020 period and so should continue here.

South Africa, supported by **Bolivia**, said the issue of targets and ambition, which are expected under the ADP, have a very deep impact on the extent to which we can go deeper on technical elements here, as a market cannot function without ambition. **Saudi Arabia** on behalf of the **Arab Group** also agreed to close this process.

The US said there is a work programme agreed under a COP mandate and it would like to continue under this work programme until the COP gives us direction. The US said it would like to see SBSTA elaborate unit transfers and national accounting processes that are taking place, to understand unit flows pre-2020, and this work should be complementary to the ICA (international consultation and analysis) and IAR (international assessment and review) processes, but extend those process where they are not sufficient to enable us to identify who is claiming which units from international reduction targets and which units are being exported where.

China said that the mandate for this work programme reaffirms that the use of the market will facilitate mitigation ambition. It asked where is such facilitation happening? It said we started a discussion on markets to facilitate mitigation ambition, and this (mitigation) is not happening. China said it also does not want to see double counting, but the most important thing to ensure transparency is fundamental rules to help to achieve this. Trying to fix fundamental problems through technical approaches will not work. China said it was willing to exchange views on pre-2020 issues, but discussions on post-2020 are a waste of time.

Brazil said if Parties want to track units outside the Kyoto Protocol mechanisms then we should create a mandate to do that, but it did not see this as under the scope of the FVA.

Co-chair Stiansen closed the session, thanking Parties for a rich discussion, and noting a wide range of views – some Parties who want to decide things here and Parties who want to conclude the business of this SBSTA group in Lima.

The Co-chairs then opened the NMA and NMM parts of this agenda item, with **Brazil** and

Egypt, on behalf of the **Africa Group**, affirming they would like to close all three agenda sub-items for the same reasons. **Bolivia** agreed, but said that if reopened, all agenda items must be opened in a balanced way.

The US said it supported closing the agenda item on non-market-based approaches, as it believed this is adequately covered by other work under the Convention and subsidiary bodies. It said it supports continued work on the NMM, as there is a lot of interest for a UN-administered post-2020 market mechanism. There is also a lot of discussion as to how existing Kyoto Protocol flexible mechanisms will fit into such a post-2020 mechanism. The US said that if and when the ADP decides to take up this issue it will be happy to engage there, but as the speed of this work progresses slowly, we need to continue to make progress, not wait until the time such mechanisms are needed.

Senegal noted that the three items are a package, but that the African Group would prefer to keep working on these items. It raised a question related to the use of net decrease or avoidance for non-market-based approaches, when this is a term related to market mechanisms where offsetting is involved.

The EU and others said they were happy to continue work on the NMM on the basis of the text presented by the Co-chairs, with the EU clarifying that it thinks the mandate relates to post-2020, not pre-2020.

Brazil said that the NMM was for post-2020, but unfortunately there was a door open to use units from mechanisms in the second commitment period of the Kyoto Protocol. Brazil said this was not a good door, as ambition still needs to be raised for the second commitment period, and there are still a lot of Clean Development Mechanism (CDM) projects in place that we can't even monitor, with unit prices very low. Brazil said we don't need new market mechanisms now. It said post-2020 we need a new mechanism, whatever you call it, and Brazil would be happy to talk about their new proposal under the ADP negotiations, as any guidance on new market approaches should come from the ADP. On the length of time needed to develop new market mechanisms, Brazil noted that the CDM came first, so it took a long time to develop the modalities, but it will not take as long to develop new markets, as there is something to build on.

China said that markets rely on supply and demand. Supply and demand is a reflection of ambition. If we don't have ambition we don't need a market. Without demand, there is no need for this type of market. China raised the question of whether policy makers would spend resources designing a market that no one will utilise.

Co-chair Stiansen reminded Parties that we are also guided by a 2°C target that would see an increase in ambition. The Co-chairs then closed the session, encouraging Parties to work bilaterally, saying they wanted discussions to go on under SBSTA and see where there is common ground.

TWN

Lima News Update 26

www.twn.my

Published by
Third World Network

17 December 2014

‘Common But Differentiated Responsibilities’ Principle Restored in COP 20 Decision

Lima, 17 December (Meena Raman and Indrajit Bose) – The Like Minded Developing Countries (LMDC) said that the principle of ‘common but differentiated responsibilities’ (CBDR) has been restored in the Lima decision.

Malaysia, speaking for the **LMDC**, said this when it agreed to the adoption of the final decision on the outcome of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP), at the UNFCCC’s twentieth session of the Conference of Parties (COP 20) in Lima on Sunday, 14 December.

Referring to the Lima decision called the ‘*Lima call for climate action*’, Malaysia on behalf of the LMDC at the final plenary of COP 20 said that as regards the CBDR principle, ‘there is a clear provision (in the decision) in the operational part of the text and this read together with the preambular paragraph which requires the work of the Durban Platform to be guided by the principles of the Convention, together suggests to us cumulatively that the CBDR principle has been restored and it has been given its rightful place in the context of the Convention and the work that we are going to continue’ in relation to the new agreement to be concluded in Paris next year.

[Malaysia was referring to a preamble of the decision which reads ‘*The Conference of Parties ... Reiterating that the work of the ADP shall be under the Convention and guided by its principles*’, as well as to paragraph 3 of the decision that ‘*Underscores its commitment to reaching an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), in light of different national circumstances.*’]

The issue of differentiation between developed and developing countries and how the principle of CBDR will be applied in the new agreement has been a major bone of contention among Parties in the course of negotiations under the ADP, with developed countries calling for the removal of the ‘firewall’ and

annexes of the Convention that currently reflect the Annex I (developed countries and countries with economies in transition) and non-Annex I (developing countries) differentiation.

The failure of the initial draft texts proposed by the ADP Co-chairs to reflect the principle of CBDR and equity was a ‘red-line’ for the LMDC.

Malaysia for the **LMDC** at an earlier session of the ADP contact group to consider the draft decision text provided by the ADP Co-chairs on Friday, 12 December (which text was later rejected by many developing countries including the LMDC), said that ‘for a large number of developing countries, the provisions (in the proposed draft decision) were seen as undermining equity and CBDR and this was another red-line’ which should not be crossed, ‘if we want to move the process forward’. It stressed that the ‘bifurcation established under the Convention such as Annex I and non-Annex I’ has to be respected.

During the informal consultations conducted by the COP 20 President, Manuel Pulgar-Vidal (Environment Minister of Peru) with the various negotiating groups, it seems that the LMDC made clear that its number one key issue was the need to reflect the principle of CBDR and equity in the work of the ADP and its outcomes.

(The final language in the decision text, which refers to the principle of ‘CBDR-RC, in light of different national circumstances’ is the same as that agreed to by the United States in the US-China joint announcement on climate change on 12 November 2014. China is a member of the LMDC.)

During the final closing plenary of the COP in the early hours of Sunday, 14 December, **Malaysia**, for the **LMDC**, said that it had some worried moments the previous night. ‘We were presented with a text which was unbalanced. There were fears that it would be adopted on the basis of acclamation and that the “ghosts” of the past would be resurrected,’ referring to the previous COP sessions in Copenhagen, Cancun, Durban, and Doha.

Referring to the earlier draft of the ADP Co-chairs' text, Malaysia said 'that text represented an approach that would chip away at the fundamental construct of the Convention itself. We saw it as an attack on the core elements of the Convention. So, we set to work and in a way this provided solidarity (among developing countries) because the reactions were almost in unison (in rejecting the Co-chairs' text). In that sense, that presentation of that text brought us together and perhaps for that we have to thank those who presented that text because the solidarity was forged and we worked till very late hours of the morning,' it added. 'As far as our groups are concerned, we returned home at 6 am in the morning (on Saturday) and came back at 7.45 am (the same day). We understand that as we left, the African Group was still working. So the whole idea was to try and recapture the balance in the text which was lost.'

Malaysia said that it still had concerns with the final Lima decision. It said that there was no reference to Article 4 of the Convention (which refers to the differentiated commitments of developed and developing countries, including for providing finance and technology transfer). On the contribution of finance for post-2020 action, it said, 'we asked for information on the annual quantitative targets' for the intended finance contribution of developed countries but 'we did not get that'.

On the pre-2020 ambition, Malaysia said that the LMDC had called for the operationalisation of paragraphs 3 and 4 of the Warsaw decision through a mechanism but all it got was a reiteration of the paragraphs to accelerate the full implementation of previous decisions and not their operationalisation. (Paragraphs 3 and 4 of the Warsaw decision refer to the implementation of decisions relating to the Bali Action Plan and the Kyoto Protocol.)

Malaysia said that there were 'many features' in the Lima decision that 'helped' the LMDC 'cross our red-lines'. Apart from the reflection of the CBDR principle, on the scope of the intended nationally determined contributions (INDCs), it said there 'is expression of a balanced approach' (with the INDCs not being just about mitigation) and also that 'the ex-ante approach (in the consideration of INDCs) has been largely done away with'.

(In the earlier draft of the Co-chairs' text there was a proposal for a dialogue to facilitate the clarity, transparency and understanding of the INDCs starting in June 2015, following the communication of the INDCs. This was commonly referred to as an ex-ante assessment. Many developing countries were concerned that such an assessment was not mandated for a decision in Lima, and that pending a resolution of the scope of the 2015 agreement and INDCs a review that is focused only on mitigation as proposed in the Co-chairs' draft text would be premature and prejudicial to the 2015 agreement.)

Malaysia said that the 'text is something we can accept' and 'the unhappiness is something that is sufficiently marginalised as to warrant our applauding the adoption of this text'. Exhorting to developing countries to stand together, Malaysia said 'we have forged solidarity of the developing world along the lines we had not seen before. Diverse as we are, we share a culture, we share a history... We ask, all of us, developing countries to come home together, come home to us.'

Commenting on the 'process' of negotiations in Lima, Malaysia said that there 'has been a restoration of the process'. 'We have come back on an even keel and this is the kind of process we should think about, talk about and pursue. We also have a lot of work ahead to establish the 2015 agreement'.

(There is widespread concern over process in recent years, whereby major decisions of a contentious nature have been adopted through 'huddles' of selected Parties or 'gavelling' by the COP President in the final hours of COP sessions without the full and transparent participation of all Parties.)

To the developed countries, Malaysia urged 'our negotiating partners not to be quick to suggest that we are not constructive in the overtures we make; in calling for the use of conference room papers, asking for line by line negotiations, or to ask for texts on the screen'. It said that developed countries should not 'suggest that this is a subterfuge to block', adding that 'we are in the process of democratising ... this multilateral process and let us do it in a spirit of equal partnership. The days of imposition are over. So let us do it in ways that an outcome that is fundamental is not alien to percepts of transparency, inclusiveness and respect. Let us banish, once and for all the "ghosts" of the past and signal a return to multilateral decision-making where countries, large and small, rich and poor, take their rightful place in the community of nations. Perhaps, this is what we take away with us, that we have somewhat restored on an even keel this process of negotiations and this would be the spirit of Lima that has addressed a new dimension to the multilateral decision-making process.'

To the COP 20 President, Malaysia said that he had 'ensured that the process is inclusive, transparent process. There were no tricks, no last minute take it or leave it texts. You treated us in language, tone and dialogue with a sense of respect, and we of course reciprocated.'

Bolivia spoke for the G77 and China and stressed on five key issues for the 2015 agreement. It underscored the importance of principles and provisions of the Convention in the 2015 agreement, in particular equity and CBDR-RC and for the agreement to be under the Convention. Two, the agreement should be consistent with the Convention, including differentiation among developed and

developing country Parties. Three, adaptation and loss and damage are key to the 2015 agreement and should be given their due space. Four, technology and capacity building are essential for the 2015 agreement and it must be clear that developed countries shall provide finance, technology development and transfer and capacity building support to developing countries. Five, the agreement must have an ambition to achieve sustainable development and poverty eradication.

Speaking for **the Least Developed Countries (LDC)**, **Tuvalu** made an interpretative statement, which it wanted reflected in the report of the COP. It said that the reference to the Warsaw International Mechanism for Loss and Damage in the preamble of the Lima decision, and to the term 'inter alia' in paragraph 2 of the decision (on the elements of the 2015 agreement) made clear the intention that 'the Protocol, another legal instrument, or an agreed outcome with legal force to be adopted in Paris will properly, effectively and progressively address loss and damage in these legal options'. This statement of Tuvalu was greeted with wide applause in the conference hall. (Developed countries have throughout the Lima talks objected to the inclusion of loss and damage as a stand-alone element in the elements of the 2015 agreement, and the last version of the Co-chairs' text had removed all reference to loss and damage.)

Commending the efforts of the COP President in carrying all Parties together, **Indian Minister of Environment and Climate Change, Prakash Javadekar**, hoped that the meeting in Paris will also follow the Lima spirit. Reiterating that Parties had achieved consensus on differentiation and the continuity of the Convention, India said there will always be issues of differences. 'The best way to resolve them will be to plan ahead and allocate three to four days for each substantive issue in 2015 and arrive at a working solution or consensus. Let us not leave all the differences for the very end and avoid last minute stretching and huddles,' said the Minister.

Minister Xie Zhenhua, Vice Chairman of the National Development and Reform Commission of **China**, said that the Peruvian COP President had shown a 'powerful and strong leadership' and that the Lima decision has laid a 'good foundation for Paris'.

South African Environment Minister, Edna Molewa, spoke for **BASIC** countries (**Brazil, South Africa, India, China**) and said while some part of the decision could have been strengthened, it managed to strike a delicate balance between very sensitive issues. She also said that the Lima decision had laid a solid foundation for work in Paris next year.

The representative from **France**, referring to the climate talks in 2009 that collapsed, said that in Paris, the 'haunting ghost of Copenhagen can be laid to rest'. (France is to host the next COP in 2015.)

Brazil said that the Lima spirit has inspired the route to Paris and that there is a basis for negotiations to begin on the new agreement.

The European Union said that the Lima talks were difficult and that it had shown much flexibility in the negotiations, as did other Parties too.

Speaking for the **Environment Integrity Group, Mexico** said that it was happy to send a clear signal that the ADP is moving forward.

The United States' Special Envoy for Climate Change, Todd Stern, said that the agreement delivers what is needed to go forward. 'First, to put forward INDCs well in advance of Paris; second, we agree to transparency requirements for the targets countries need to put forward in the first half of next year, to make sure that they put them forward in a clear and understandable manner; third, we agreed that Parties need to communicate their efforts to become more resilient and it would help to integrate adaptation into development planning; and four, we continue to make developments in the elements of the 2015 agreement. We now have a working document from which we can continue our conversations in February next year,' said Stern.

The next ADP session is scheduled to be held in February 2015 in Geneva.

TWN

Lima News Update 27

www.twn.my

Published by
Third World Network

18 December 2014

Comments on the Lima COP20 Decision on the Durban Platform

Penang, 18 December (Meena Raman) –The most important and most fought over outcome of the UN Climate Conference in Lima was a decision adopted by the Conference of the Parties (COP) which the Peruvian Minister in charge of the conference termed ‘The Lima call for climate action’.

This COP decision relates to the work of the Durban Platform, which is the track in the UN climate negotiations that leads to an expected new climate change agreement in Paris at the end of 2015.

This COP decision would normally have been prepared and agreed to by the group that had been negotiating the Durban Platform issues since January 2012, and then the COP itself would simply endorse the draft thus prepared.

But what was significant at Lima is that the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) could not reach any agreement on the draft decision. Indeed, a supposedly final draft produced by the Co-Chairs of the group met with widespread criticisms and outright rejection by a majority of developing countries, and had to be abandoned on the last night of the Conference.

In an emergency move, the President of the COP himself, Peruvian Environment Minister Manuel Pulgar-Vidal, had to take over the process on the Durban Platform decision, and after a full day of consultations that he personally conducted, a final draft was put before the Parties and finally adopted.

The approved draft was different in some significant points from the one that was rejected a day earlier and even more so from earlier drafts that had been prepared by the Co-Chairs.

The Co-Chairs’ drafts, and the process they had overseen since March 2014, had been unpopular with a large number of developing countries which perceived them as biased in favour of positions of most developed countries. The developing countries felt that if the Co-Chairs’ drafts were adopted, they would give an early and undue advantage to the

developed countries in the design of the elements and framework of the 2015 Paris agreement itself.

The wrangling over the Lima decision between developed and developing countries was clearly a proxy fight for what would be the core elements of the Paris agreement. An underlying issue is whether Parties would be treated in a differentiated manner in their obligations, as clearly set out in the Climate Change Convention, or whether (as desired by developed countries), the Parties would all be treated in a similar manner in the agreement for post-2020 actions.

This proxy fight took place through the issue of ‘intended nationally determined contributions’ (INDCs), a term that was adopted a year earlier at the 19th Conference of Parties in Warsaw.

This proxy fight over substance was accompanied by a fight over the process that was used during the ADP negotiations. Developing countries wanted text-based negotiations with Parties able to make changes to draft texts placed on a screen (a normal UN method that is transparent and Party-driven) while the developed countries preferred a process that was left in the control of the ADP Co-Chairs, to produce draft texts, without clarity or transparency on how they were arrived at. The Co-Chairs themselves insisted on the latter method, to the frustration of the developing countries.

The 19th COP in Warsaw in 2013 adopted a decision which invited ‘all Parties to initiate or intensify domestic preparations for their INDCs without prejudice to the legal nature of the contributions, in the context of adopting...’ the legal outcome in Paris, and to communicate them well in advance of COP 21 (by the first quarter of 2015 by those Parties ready to do so) ‘in a manner that facilitates the clarity, transparency and understanding of the INDCs, without prejudice to the legal nature of the contributions’.

The Warsaw decision did not prescribe the scope or nature of the ‘contributions’, whether these contributions relate to mitigation, adaptation, finance, technology transfer and capacity building, which are the items for the Paris agreement, or only to one or some of them.

Developed countries, in the course of discussions this year, wanted to confine the scope of the INDCs to only mitigation, while developing countries wanted all the elements to be covered, including on what developed countries will provide post-2020, as regards their contributions for finance and technology transfer to support the developing countries’ mitigation and adaptation actions in the post-2020 period.

The Warsaw COP also gave the ADP the mandate ‘to identify, by COP 20, the information that Parties will provide when putting forward their contributions, without prejudice to the legal nature of the contributions’. Thus, as pointed out by the Like-minded Developing Countries (LMDC), the ADP, in relation to the INDCs, had only the mandate to produce a decision in Lima that was focused on the identification of information that Parties will provide, when forwarding their INDCs.

Throughout year, there were concerted attempts by developed countries to make use of the issue of INDCs to shape the larger issue of the nature of the mitigation component of the 2015 agreement, even before the mature negotiation or conclusion of negotiations on this mitigation issue per se.

The developed countries insisted that INDCs are only about mitigation contributions and that all countries will have to forward their INDCs together with the up-front information accompanying them, by early 2015. They also proposed a system by which these intended contributions would be assessed and reviewed (referred to as a process for an ‘ex-ante assessment’) in mid-2015 June, to see if they would be adequate in the aggregate to limit temperature rise to below 2°C.

Though some developing countries supported an ex-ante review, many others (especially the LMDC) were against it. The latter viewed the push by developed countries for an ‘ex-ante assessment’ ahead of Paris as being outside the Warsaw mandate. They also considered this to be prejudicial to the negotiations to be conducted for the 2015 agreement, in Paris, especially as regards how the mitigation element of the Paris agreement is to be approached; how the principle of equity and common but differentiated responsibilities (CBDR) would be applied across all the elements of the Paris agreement, including that relating to the contributions that Parties will make, as well as the up-front information relating to the contribution for the purposes of transparency.

They pointed out the imbalance of having developing countries’ mitigation ‘contributions’ assessed (and subjected to pressure for upgrading) whereas there was to be no assessment (or even information) on how much financial and technological support the developed countries are to provide. How could developing countries be expected to submit what they can do on mitigation when they do not know whether financial support is forthcoming and if so, how much?

China had in the October session of the ADP this year said clearly that there can be no ‘early harvest’ by focusing only on mitigation when all elements of the 2015 outcome are ‘a package’. It said that INDCs cannot be focused only on ‘mitigation’, isolated from the consideration of the provision of finance, technology transfer and capacity building support. Otherwise, this would lead to a rewriting of the Convention, it stressed. This view was shared by other members of the **Like-minded Developing Countries (LMDC)**.

Besides the ex-ante assessment issue, a major issue of basic importance was that of ‘differentiation’. Developing countries across the board wanted assurances in the decision that the CBDR principle would be applied in the Paris agreement and in the INDCs. They insisted on this as a ‘red line’.

The final draft produced by the Co-Chairs, Kishan Kumarsingh (Trinidad and Tobago) and Artur Runge-Metzger (Germany), were viewed by most developing-country groupings as not acceptable. On Saturday, 13 December, when the ADP convened, many developing countries and their groupings criticised and rejected the draft on grounds it was imbalanced and did not reflect key issues such as differentiation between developed and developing countries, the principles of equity and CBDR; that there was lack of any financial contribution for the post-2020 period; the draft on INDCs was mitigation centric with adaptation being downgraded, a failure to include the issue of ‘loss and damage’ and a very weak reference to pre-2020 climate action.

With the clock ticking beyond the closing time of the conference, many developing countries appealed to Vidal to help resolve the deadlock, as the talks were clearly on the brink of collapse. The ADP closed without adopting a text, and the COP Presidency then took over the process, with the Peruvian Minister meeting with various negotiating groups and countries to assess their red-lines and attempting to produce a text acceptable to all.

The President’s draft decision, which was finally adopted on Sunday at 1 a.m., was viewed by developing countries as being more balanced as it dealt better with the issues of concern to them. The principle of CBDR was mentioned (it had been absent at the original decision launching the Durban

Platform at COP17 in 2011), the scope of the INDCs is now open-ended; there is no provision for an ex-ante review of the INDCs and there is reference in the preamble to the Warsaw Mechanism on Loss and Damage.

HIGHLIGHTS OF THE LIMA DECISION ON DURBAN PLATFORM

Some of the key points in the ‘Lima call for climate action’ (the decision of 14 December relating to the Durban Platform) are set out below, together with comparisons to what was in earlier drafts of the issues in the Co-Chairs’ texts of 12 December (and in some cases the drafts of 8 and 11 December). Comments are also provided to provide an understanding of the changes that came about and their significance. (The full final decision can be found at <http://unfccc.int/2860.php>).

Preamble 1 states: ‘*Reiterating* that the work of the ADP shall be under the Convention and guided by its principles...’. The earlier 12 December draft merely states ‘*Guided by the Convention*’. The final draft draws reference to the principles of the Convention explicitly; this is important for developing countries which point out that among the principles are equity and CBDR.

Preamble 4 states: ‘*Affirming* its determination to strengthen adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the Convention to be adopted at the twenty-first session of the Conference of the Parties (November-December 2015),’

There was no provision in the earlier draft that referred to strengthening of adaptation action in the new agreement. This was a major concern of developing countries which saw the developed countries pushing for a mitigation-centric agreement, with the issues of adaptation and the means of implementation being marginalised or omitted.

Preamble 5 states: ‘*Recalling* decisions 2/CP.19 and X/CP.20 (Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts) and welcoming the progress made in Lima, Peru, towards the implementation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts,’

There was no reference in the 12 December draft to loss and damage. Developing countries had been calling for ‘loss and damage’ to be part of the 2015 agreement, while developed countries have resisted this. The LDC Group made an appeal to include this issue in the final text. At the final plenary session, **Tuvalu**, speaking for **the Least Developed Countries (LDC)**, made an interpretative statement that the reference to the Mechanism for Loss and Damage in the preamble and the term ‘inter alia’ in paragraph 2 of the decision made clear the intention

that the legal outcome to be adopted in Paris will properly, effectively and progressively address loss and damage.

Paragraph 1 reads: ‘Confirms that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;’

Paragraph 2 states: ‘*Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address in a balanced manner, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support;’

Paragraph 3 reads: ‘*Underscores* its commitment to reaching an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances;’

This is an important paragraph. There was no provision for the reflection of the CBDR-RC principle in the 12 December draft. The mention of CBDR and especially the reference that it be reflected in the 2015 agreement was seen by most developing countries as a major victory, although some countries were not pleased with the accompanying phrase ‘in light of different national circumstances’.

At the final plenary, the LMDC (represented by Malaysia) stated that this ‘clear provision in the operational part of the text and this read together with the preambular paragraph which requires the work of the Durban Platform to be guided by the principles of the Convention, together suggests to us cumulatively that the CBDR principle has been restored and it has been given its rightful place in the context of the Convention and the work that we are going to continue’ in relation to the new agreement.

Paragraph 4 ‘*Urges* developed country Parties to provide and mobilize enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and recognizes complementary support by other Parties;’

The 12 December draft, instead of ‘...and recognises complementary support by other Parties’ had the following language: ‘and invites other Parties willing to do so to complement such support’; while an earlier 11 December draft had the following words: ‘developed country Parties and other Parties in a position to do so...’ These words in the earlier drafts were seen by many developing countries as diluting the CBDR principle, with developing

countries also having to contribute to financing mitigation and adaptation actions, contrary to the provisions of the Convention.

Paragraph 5 ‘*Acknowledges* the progress made in Lima in elaborating the elements for a draft negotiating text as contained in the annex;’

This paragraph relates to the elaboration of the elements for the Paris agreement, contained in another document, prepared by the Co-Chairs. An earlier version of the draft text of 11 December provided that the ADP ‘will intensify consideration of the elements for a draft negotiating text reflected in annex 1...’ which many developing countries found problematic, as it implied that the Co-Chairs’ document, placed in an annex, would be the basis for the negotiations for the Paris agreement.

Although the annexed document referred to as ‘Elements for a draft negotiating text’ has a footnote that states that ‘these elements for a draft negotiating text reflect work in progress’ and that ‘they neither indicate convergence on the proposals presented nor do they preclude new proposals from emerging in the course of the negotiations in 2015’, many developing countries did not want the annex to be given a higher status than the proposals or submissions of Parties. The final decision only acknowledges the progress of the work done under the ADP as reflected in the annexed document.

Paragraph 6 states: ‘*Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify its work, with a view to making available a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties before May 2015;’

Paragraph 9 ‘*Reiterates* its invitation to each Party to communicate to the secretariat its INDC towards achieving the objective of the Convention as set out in its Article 2.’

The 11 December version of the draft text in Option 3, provided that ‘Parties INDCs ...will include a mitigation contribution, and may also include contributions on adaptation, finance, technology development and transfer and capacity-building and that the INDC of each Party will represent a progression beyond the current undertaking of that Party.’

The concern expressed by many developing countries over this option was that all Parties had to provide a mitigation contribution which was mandatory, while contributions to the other elements are not so. This signalled a mitigation-centric approach which also did not differentiate between developed and developing countries and did not make it obligatory for developed countries to forward a finance and technology transfer contribution. The formulation that was finally agreed to leaves the scope of the INDC open, without a particular stress on mitigation.

In fact, the 8 December draft states that ‘Parties that are not ready to communicate their INDCs by the first quarter of 2015’ were invited to do so ‘by 31 May 2015 or as soon as possible thereafter’.

The 8 December draft also provided that ‘each party shall communicate a quantifiable mitigation component in its INDC which represents the highest level of mitigation ambition, beyond its 2020 commitment and actions....guided by the principles of equity and CBDR-RC, in the light of evolving national circumstances.’

Many developing countries, especially the LMDC and the African Group, took issue with the term ‘evolving national circumstances’ which they said was not a term recognised by the Convention and its use amounted to a redefining of the CBDR principle, which prejudices the negotiations in Paris.

Paragraph 10 states: ‘*Agrees* that each Party’s INDC towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party’;

This paragraph is to reflect the call by many developing countries to ensure that developed countries do not backslide on their commitments in the post-2020 time-frame.

Paragraph 12 states: ‘*Invites* all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their INDCs’.

This paragraph reflects the call by many developing countries that their INDCs could also be or include a contribution to adaptation actions, and that INDCs should not solely be about mitigation.

Paragraph 13 ‘*Reiterates* its invitation to all Parties to communicate their INDCs well in advance of COP 21 (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the INDCs’.

Paragraph 14 states: ‘*Agrees* that the information to be provided by Parties communicating their INDCs, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its INDC is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2.’

This paragraph relates to the information that is to accompany the INDCs. Given the use of the terms ‘as appropriate’, Parties can decide what

information will accompany their INDCs. Concerns were raised by developing countries that the earlier draft texts did not reflect the CBDR principle as to how the information to be supplied by developed and developing countries should be differentiated. Although CBDR is not mentioned in this paragraph, its mention in paragraph 3 is taken by these countries to thus cover paragraph 6 as well.

Paragraph 16 *Requests* the secretariat to: (a) Publish on the UNFCCC website the INDCs as communicated; (b) Prepare by 1 November 2015 a synthesis report on the aggregate effect of the INDCs communicated by Parties by 1 October 2015.'

Other than the preparation of a synthesis report by the secretariat on the aggregate effect of the INDCs, there is no mention in the final text that relates to ex-ante assessment or review of the INDCs prior to the Paris agreement.

The earlier draft of 8 December made provision for the following 'ex-ante' processes (in an apparent accelerated rate) to take place in 2015 after the communication of the INDCs as follows:

- To provide opportunities for seeking clarification on the INDCs;

- For Parties to submit questions to each other and for responses to be supplied within 4 weeks;
- For a workshop in June next year and at COP 21 for clarity, transparency and understanding the INDCs communicated;
- For a technical paper by the secretariat on the existing methodologies relating to land-use and use of market mechanisms;
- Organise a workshop on methodologies in June 2015;
- Technical paper by the secretariat on the aggregate effect of the INDCs;
- For observers to publicise their analyses of the INDCs on the UNFCCC website.

Developing countries, led by the LMDC, were of the view that these matters were outside the scope of the Warsaw mandate and could prejudice the negotiations for the Paris agreement and were also unbalanced since there was no similar ex-ante process (or even information) on the financial contributions that developed countries would make to support developing countries.

The decision also has **other paragraphs** on the issue of pre-2020 climate actions.

COP 20 Adopts Decision on Finance, Loss and Damage Mechanism and Other Issues

Kuala Lumpur, 19 December (Hilary Chiew) – Decisions of the 20th Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) were adopted in three separate plenary sessions.

The bulk of the decisions were adopted in the morning of 12 December and decisions on finance matters and the ‘Lima Ministerial Declaration on Education and Awareness-raising’ were adopted in the late afternoon of 13 December, while the decision on the Durban Platform were adopted around 1:30 am on 14 December.

Several agenda items that could not reach agreement were deferred for further consideration next year and as such, would be included in the provisional agenda of the next COP. These items are the two proposals by Parties to amend the Convention and the linkages between Technological Mechanism and the Financial Mechanism of the Convention.

Among the major decisions adopted were as follows:

Matters relating to finance

Five finance items were discussed at COP 20 and they proved to be highly contentious. As the contact group established by the COP continued to work during the first and second week, the COP President appointed two ministers to also help in the process during the final days of the meeting. The ministers were South African Minister of Water and Environment Affairs Edna Molewa and UK Secretary of State for Energy and Climate Change, Ed Davey to assist in consultation.

The agenda items were long-term finance, report of the Standing Committee on Finance (SCF), report of the Green Climate Fund (GCF), report of the Global Environment Facility (GEF) and the fifth review of the Financial Mechanism.

Parties only managed to conclude their work on Saturday 13 December and the decisions were

adopted at the plenary at 5 pm. Overall, Parties could not agree on a clear roadmap on scaling up finance in the pre-2020 period and on the definition of ‘climate finance’.

Long-term finance

On long-term finance, the key outcome of Lima is from paragraphs 9 to 14 of the decision which reads as follow:

‘Paragraph 9: *Recognizes* that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilising jointly USD 100 billion per year by 2020 to address the needs of developing countries;

Paragraph 10: *Requests* developed country Parties, in preparing their next round of updated biennial submissions on strategies and approaches for scaling up climate finance for the period 2016-2020, to enhance the available quantitative and qualitative elements of a pathway, placing greater emphasis on transparency and predictability of financial flows, as per decision 3/CP.19, paragraph 10;

Paragraph 11: *Also requests* the secretariat to prepare a compilation and synthesis of the biennial submissions on the strategies and approaches, to inform the in-session workshops;

Paragraph 12: *Further requests* the secretariat to organize annual in-session workshops through to 2020 and to prepare a summary report of the workshops for annual consideration by the Conference of the Parties and the high-level ministerial dialogue on climate finance;

Paragraph 13: *Decides* that the in-session workshops referred in paragraph 12 above will, in 2015 and 2016, focus on the issues of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities in accordance with decision 3/CP.19, paragraph 12;

Paragraph 14: *Invites* the thematic bodies under the Convention, in particular the Standing Committee on Finance, the Adaptation Committee and the Technology Executive Committee, where appropriate, to consider the long-term finance issues referred in decision 3/CP.19, paragraph 12 when implementing their 2015–2016 workplans, as an input to the in-session workshops referred to in paragraph 12 above.’

Standing Committee on Finance

On the SCF, the decision in paragraph 7, Parties ‘noted with appreciation the 2014 Report on biennial assessment and overview of climate finance flows’.

In paragraph 8, it invited ‘the relevant bodies under the Convention to take note of the summary and recommendations by the SCF on the 2014 biennial assessment and overview of climate finance flows’.

In paragraph 9, it requested ‘relevant technical bodies to consider the recommendations contained in the report of the 2014 biennial assessment and overview of climate finance flows as part of their ongoing deliberations related to climate finance’.

It also requested in paragraph 10 for the SCF, ‘as part of its ongoing work on measurement, reporting and verification (MRV) of support, and with a view to recommending improvements to the methodologies for reporting financial information, to consider the findings and recommendations of the biennial assessment in its annual report to the Conference of the Parties for its consideration at its twenty-first session (November–December 2015)’.

In paragraph 11, it further requested the SCF, ‘in the context of its ongoing work, including the preparation of the biennial assessment and overview of climate finance flows, to further explore how it can enhance its work on the MRV of support, based on best available information on the mobilization of various resources, including private and alternative resources, through public interventions’.

COP Guidance to the GCF

In considering the report of the GCF to the COP, the COP in its decision, gave guidance to the GCF. In paragraph 3, it welcomed ‘with appreciation the successful and timely initial resource mobilization (IRM) process of the GCF that led to the mobilization of US\$10.2bil to date by contributing Parties, enabling the GCF to start its activities in supporting developing country Parties of the Convention, and making it the largest dedicated climate’.

In paragraph 4, it requested ‘the GCF to ensure that the ongoing resource mobilization efforts are commensurate with the ambitions of the Fund, and

calls for contributions by other developed country Parties, as well as *invites* financial inputs from a variety of other sources, public and private, including alternative sources,⁵ throughout the initial resource mobilization process’.

Paragraph 5 of the decision urged ‘the GCF, the Interim Trustee, and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangements, taking note that the commitment authority of the GCF will become effective when 50 per cent of the contributions pledged by the November 2014 pledging session are reflected in fully executed contribution agreements/arrangements received by the secretariat no later than 30 April 2015 as provided for in GCF Board decision B.08/13, annex XIX, paragraph 1(c)’.

Paragraph 7 welcomed ‘the GCF Board decision B.08/07 to start taking decisions on the approval of projects and programmes no later than its 3rd meeting in 2015’.

Paragraph 8 requested ‘the Board of the GCF to accelerate the operationalisation of the adaptation and mitigation windows, and to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument’.

In paragraph 9, the decision also requested ‘the Board of the GCF to accelerate the operationalisation of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015, expediting action to engage local private sector actors in developing country Parties, including small-and medium-sized enterprises in the least developed countries, small island developing States and African States, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector’.

In paragraph 10 the decision further requested the Board of the Green Climate Fund, in the implementation of its 2015 workplan, to complete its work related to policies and procedures to accept financial inputs from non-public and alternative sources, the investment and risk management frameworks of the Green Climate Fund, the impact analysis on its initial results areas, including options for determining Board level investment portfolios across the structure of the Fund,⁷ and the approval process of the Fund, including methodologies for selecting programmes and projects that best achieve the objectives of the Fund.

The decision in paragraph 11 requested the Board of the GCF to consider ways by which to further increase the transparency of its proceedings.

It also requested the Board of the GCF in paragraph 12, ‘to accelerate the implementation of its work programme on readiness and preparatory support, ensuring that adequate resources are provided for its execution, including from the initial resource mobilization process, providing urgent support to developing countries, in particular the least developed countries, small island developing States and African States, led by their national designated authorities or focal points to build institutional capacities in accordance with Green Climate Fund Board decision B.08/11’.

It also encouraged, in paragraph 13, ‘the timely implementation of the accreditation framework and *requests* the Board of the Green Climate Fund, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including the least developed countries, small island developing States and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast-tracking that request it’.

In paragraph 14, it invited ‘developing country Parties to expedite the nomination of their national designated authorities and focal points as soon as possible, as well as the selection of their national and subnational implementing entities, to facilitate their engagement with the GCF’.

Guidance to the GEF

In considering the report of the GEF, the COP gave guidance to the GEF as follows.

It noted in its paragraph 2 that ‘the amount of funding available for the climate change focal area was reduced in the sixth replenishment period of the Global Environment Facility and that the country allocation of some countries, including some least developed countries, small island developing States, and African States has decreased as a consequence, while highlighting that funding for climate change related interventions at the Global Environment Facility has continued to increase with pilot integrated approaches’.

In its paragraph 5, it encouraged the GEF ‘to continue to cooperate with all its implementing and project agencies as well as recipient countries in order to improve its project cycle, taking into account the report of the fifth overall performance study of the GEF and the recommendations contained therein’.

In paragraph 6, it also encouraged the GEF ‘to continue to increase the overall transparency and openness of its operations, particularly with regard to the disclosure of information on the status of the implementation of projects and programmes, the

project-level accountability of its implementing agencies and with respect to the timely disbursement of funds as well as the advice provided to countries on co-financing’.

Paragraph 9 of the report took note ‘of the policy on co-financing of the GEF and the concerns regarding the implementation of this policy as raised by some Parties’ while paragraph 10 encouraged the GEF ‘to improve the communication of its co-financing policy so that it is better understood, and appropriately applied by accredited project agencies and the implementing agencies of the Global Environment Facility, while acknowledging the potential impacts of this policy on developing country Parties, in particular the least developed countries, small island developing States, and African States’.

Paragraph 11 encouraged the GEF ‘to finalise the accreditation of project agencies and to share, in its next report to the Conference of the Parties, lessons learned and progress made in its pilot accreditation of project agencies, particularly in the least developed countries, small island developing States and African States’.

Paragraph 12 requested the GEF ‘to continue to work with its implementing agencies to further simplify its procedures and improve the effectiveness and efficiency of the process through which Parties not included in Annex I to the Convention receive funding to meet their obligations under Article 12, paragraph 1, of the Convention’.

Fifth Review of the Financial Mechanism

The operating entities of the Financial Mechanism of the Convention are the GEF and the GCF.

The COP decision noted that the ‘fifth review of the Financial Mechanism focused on the GEF owing to the fact that the GCF is still developing its operations and that therefore it was premature to review many aspects of the Green Climate Fund’.

The decision in paragraph 1 welcomed with appreciation ‘the expert input to the fifth review of the Financial Mechanism provided by the SCF, contained in the technical paper referred to in paragraph 3 below’.

In paragraph 2, it also encouraged ‘the SCF to build on the same methodology and criteria in future reviews of the Financial Mechanism’.

In paragraph 3, it acknowledged ‘the executive summary of the technical paper on the fifth review, as contained in the annex, including the conclusions and recommendations made by the SCF’.

The decision in paragraph 4 encouraged ‘the operating entities of the Financial Mechanism to

address, as appropriate, these recommendations in their future work, particularly with regard to the complementarity between the operating entities of the Financial Mechanism’.

The decision recognised in paragraph 5, ‘the general positive assessment of the performance of the GEF’ but in paragraph 6, it noted, however, ‘that the least developed countries and small island developing States still experience challenges in accessing the resources from the GEF’.

In paragraph 7, the COP decided ‘to consider the timing of guidance provided by the COP to the operating entities of the Financial Mechanism, especially that guidance which has resource implications vis-à-vis the replenishment cycles of the operating entities of the Financial Mechanism, in order to ensure that key guidance is fully considered in the programming strategies and policy recommendations associated with each replenishment period’.

Warsaw International Mechanism for Loss and Damage

After days of wrangling over the composition and governance of the permanent executive committee (ExCom), Parties reached agreement on 10 December after the draft decision was transmitted to the COP for further consultation upon closing of the SB41 session.

The COP decision in paragraph 5, agreed that the ExCom shall be composed of the following:

‘(a) Ten members from Parties included in Annex I to the Convention (Annex I Parties);

(b) Ten members from Parties not included in Annex I to the Convention (non-Annex I Parties), comprising two members each from the African, Asia-Pacific, and the Latin American and Caribbean States, one member from Small Island Developing States, one member from Least Developed Country Parties, and two additional members from non-Annex I Parties.’

Paragraph 6 encourages ‘Parties to nominate to the Executive Committee experts with the diversity of experience and knowledge relevant to loss and damage associated with climate change impacts’.

In paragraph 7, it is also decided that ‘members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms of office, and that the following rules shall apply:

(a) Half of the members shall be elected initially for a term of three years and half of the members shall be elected for a term of two years;

(b) Thereafter, the Conference of the Parties shall elect members for a term of two years;

(c) The members shall remain in office until their successors have been elected.’

It is further decided in paragraph 8 that ‘the ExCom may establish expert groups, subcommittees, panels, thematic advisory groups or task-focused ad hoc working groups, to help execute the work of the ExCom in guiding the implementation of the Warsaw International Mechanism, as appropriate, in an advisory role, and that report to the ExCom’.

In paragraph 12, it is decided that ‘the ExCom shall meet at least twice per year, while retaining its flexibility to adjust the number of meetings, as appropriate while in paragraph 13, it is decided that the ExCom shall convene its first meeting as soon as practical following the election of its members commencing at the twentieth session of the Conference of the Parties but no later than March 2015, and at its first meeting shall adopt its rules of procedure and begin implementing its workplan’.

Forum and work programme on the impact of implementation of response measures

On 12 December, the COP decided to forward the text of a draft decision containing a four-page annex for consideration by the Subsidiary Bodies at their 42nd session in June 2015 with a view to recommending a draft decision on this matter for adoption by COP21 (in Paris next year).

The heavily-bracketed annex was the draft decision that Parties arrived at on 6 December after the joint agenda item of the 41st session of the Subsidiary Body for Implementation (SBI41) and the 41st session of the Subsidiary Body for Scientific and Technological Advice (SBSTA41) agreed to transmit the matter to the COP, having failed to reach a conclusion on the matter.

At the closing of the SB41 at the end of the first week of the climate talks, COP20 President Manuel Pulgar-Vidal instructed the SBI and SBSTA Chairs to conduct informal consultations under his authority to move the issue forward. Four informal consultations were undertaken during the second week.

In the final stock-take plenary on 11 December at 6pm, SBI Chair, Amana Yauvoli (Fiji) who had personally chaired the last informal consultation on this matter earlier in the morning, conceded that despite the efforts and hard work of all Parties, there was no agreement on the most sticky issue regarding institutional arrangements to address the impact of the implementation of response measures. Parties did agree to a continuation of deliberations based on the annex at the next SBs session.

At the final informal consultation which was also attended by several heads of delegations, Parties tried to break the deadlock and focused on the contentious paragraph 6 which reads:

'Requests the subsidiary bodies to review at their [forty-fifth] sessions the work of the forum, including the need for its continuation, [or propose other future institutional arrangements] with a view to providing recommendations to the Conference of the Parties at its [twenty-second session (November-December 2016);]'

Last year, the COP19 in Warsaw also could not adopt a decision on this issue and it remains a highly-contentious subject deliberated as a joint agenda item of SB40 in June and SB41 in Lima.

(A separate article on this agenda item will follow soon.)

Development and transfer of technology and implementation of the Technology Mechanism

Parties adopted the joint annual reports of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN) for 2013 and 2014 respectively.

[At COP19 in Warsaw, the 2013 annual report could not be adopted as developed countries were opposed to the TEC having an observer status at the World Intellectual Property Organisation (WIPO) and the World Trade Organisation (WTO)].

The impasse was resolved at SB40 in June this year in Bonn. The decision is contained in the annex of FCCC/SB/2013/1 where the desire of developing countries to have observer status in the two international organisations outside of the Convention was not granted.

On the agenda item on linkages between Technology Mechanism and Financial Mechanism, no decision could be taken.

In its intervention at the COP plenary on 12 December, **China**, speaking for **the G77/China** regretted that no decision could be adopted although Parties were close to getting an agreement. It welcomed the recommendations from the TEC on this matter, noting that the linkage is a key element for the implementation of the Convention where the end goal is to develop and use climate technologies to help developing countries to implement climate actions.

It further said as mandated by paragraph 62 of decision 1/CP.18 (in Doha), the two years' effort was highly appreciated and a clear link between the mechanisms needs to be established here in Lima including the creation of a funding window under the Green Climate Fund (GCF).

It also noted that the requests of developing countries during the deliberation of the matter were

within the mandate but were not acceptable to developed countries although China and other developing countries had exhibited flexibility in accommodating the various concerns.

'It is, therefore, regrettable that the matter will have to wait for another year for the chance to discuss this issue and it remains unclear how much longer it will need before the issue of technology development and transfer will enjoy the support of the Financial Mechanism,' it concluded.

The Lima Ministerial Declaration on Education and Awareness-raising

The COP also adopted a decision entitled 'The Lima Ministerial Declaration on Education and Awareness-raising'.

Through this decision, Ministers and Heads of Delegation recognised 'that education, including formal, non-formal and informal education, and public awareness programmes should promote the attitudes and behaviour needed to prepare our societies to adapt to the impacts of climate change'.

The decision in paragraph 1 stressed 'that education, training, public awareness, public participation, public access to information, knowledge and international cooperation play a fundamental role in meeting the ultimate objective of the Convention and in promoting climate-resilient sustainable development'.

In paragraph 2, Parties reaffirmed their 'commitment to promote and facilitate, at the national and, as appropriate, at sub-regional and regional levels, and in accordance with national laws and regulations, and within the respective capacities, the development and implementation of educational and public awareness programmes on climate change and its effects, of public access to information on climate change and its effects and of public participation in addressing climate change'.

In paragraph 3, governments were encouraged 'to develop education strategies that incorporate the issue of climate change in curricula and to include awareness-raising on climate change in the design and implementation of national development and climate change strategies and policies in line with their national priorities and competencies'.

Paragraph 4 urged 'all Parties to give increased attention, as appropriate, to education, training, public awareness, public participation and public access to information on climate change'.

Paragraph 6 expressed the 'resolve to cooperate and engage through multilateral, bilateral and regional complementary initiatives that aim to raise awareness and enhance education on climate change and its impacts, opportunities and co-benefits'.

Other decisions

In noting that ‘gender-responsive climate policy still requires further strengthening in all activities related to adaptation and mitigation as well as decision-making on the implementation of climate policies’, the COP also adopted the ‘Lima work programme on gender’ with a two-year work programme for promoting gender balance and

achieving gender-responsive climate policy including effective participation of women in the bodies established under the Convention.

Parties were also informed that Morocco offered to host COP22 from 7 to 18 November in 2016.

(Edited by Meena Raman).

CMP 10 Grapples with Issues over Kyoto Protocol's Second Commitment Period

Kuala Lumpur, 19 December (Hilary Chiew) – The 10th Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP10) adopted decisions in two plenary sessions on 12 and 13 December.

The key decisions adopted are ‘Implications of the implementation of decisions 2/CMP7 to 4/CMP7 and 1/CMP8 on the previous decisions on methodological issues related to the Kyoto Protocol (KP), including those relating to Articles 5, 7 and 8 of the KP’, ‘Report of the Adaptation Fund Board’, ‘Second Review of the Adaptation Fund’ and ‘Report on the high-level ministerial round table on increased ambition of KP commitments’.

Below are highlights and decisions on the deliberation of these four issues:

Implications of the implementation of decisions 2/CMP7 to 4/CMP7 and 1/CMP8 on the previous decisions on methodological issues related to the Kyoto Protocol (KP), including those relating to Articles 5, 7 and 8 of the KP

On 12 December the Subsidiary Body for Scientific and Technological Advice (SBSTA) Chair Emmanuel Dumisani Dlamini reported to the CMP plenary that although significant work was carried out on this agenda item (at the request of the CMP), it could not be concluded. The CMP thus requested the SBSTA to continue its consideration of these implications at SBSTA42 (June 2015) on the basis of the draft decision texts available in the annex, with a view to recommending draft decisions on this matter for adoption at CMP11 next year.

Switzerland said it is in the process of ratification of the second commitment period of the Kyoto Protocol (CP2) and is already implementing the rules for the second commitment period (CP2). It strongly opposed any statements that purposely delayed the process. It called to attention the legitimate technical difficulties faced by many countries without yet having to adopt rules to guide them and the long and resource-intensive process to update accounting rules for the CP2.

It pointed out that (work done) in Lima was near completion except for one paragraph that stood in the way. It urged Parties that are Economies-in-Transition (EIT) and other developing countries to ensure the environmental integrity of the system and to resolve the ‘carry-over’ issue here in Lima.

It opined that only the issue of use and transfer of the units from the previous commitment period related to EIT needed to be considered at SBSTA42 while the rest of the issues could be concluded in Lima. It said Parties (referring to Annex I) need the technical guidance to be adopted this year as they would be submitting reports and that Parties made enormous progress in making the rules for the ratification of the CP2.

The contentious paragraph is included in the 18-paragraph annex attached to the draft decision and the last paragraph in brackets reads:

[Requests the Subsidiary Body for Scientific and Technological Advice, to consider, at its fortieth second session, whether the reference to assigned amount in paragraph 25 of decision 1/CMP.8 for a Party included in Annex I undergoing the process of transition to a market economy should be understood as referring to the assigned amount for the second commitment period calculated pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, adjusted by the number of assigned amount units cancelled in accordance with paragraph 23 ter.]

Echoing Switzerland, **the European Union (EU)** expressed concerns that without a decision here in Lima, the full technical implementation of the CP2 will face challenges at this stage. Therefore, it supported the move to consider the outstanding issue in a separate discussion session (i.e. later in SBSTA42 next June).

Norway said it was most unfortunate that Parties were unable to reach agreement on this matter, noting that out of the 51-page document, only one issue remained. It had hoped to adopt the full text here but forward the outstanding issue to next year so that the (technical guidance in) decision can guide implementation of the CP2.

Australia expressed disappointment that the elaboration of the rules concerning EITs could not be agreed here. It said in Doha (COP18), Parties agreed to the Doha Amendment (that paved the way for CP2) and it had joined others in inscribing its commitment on the basis of those amendments. It urged all Parties to double their efforts to reach an agreement.

The Russian Federation (one of the Parties with EIT) objected to Switzerland's proposal and said that it was highly regrettable to reopen the issue and invite Parties to go into the substantive details in the 11th hour. It believed that the issue was complex and there was insufficient time to address this issue. It said it had clearly indicated support for the conclusion to move deliberations to SBSTA42, next year.

Belarus also said it could not accept Switzerland's proposal and objected to splitting of the draft decision to two parts and preferred to continue working on this issue at the next SBSTA session in Bonn.

Chairing the session, COP20/CMP10 Vice-president Jorge Voto-Bernales said that having heard the proposal by Switzerland and the interventions by the Russian Federation and Belarus, he gavelled the decision for the item to proceed on the basis that the matter be further considered at SBSTA42.

Report on the high-level ministerial roundtable on increased ambition of KP commitments

There was no consensus on the way forward on the issue of increasing the ambition of Parties for CP2. CMP10 Vice-president Voto-Bernales of Peru said that the item will be included on the provisional agenda for next year's CMP11 in accordance to rule 16 of the draft rules of procedure.

From the outset of the opening of the CMP meeting, **the G77-China** had requested for a contact group to deliberate this agenda item but this was rejected by Annex I Parties. Dissatisfied with the lack of ambition by Annex I Parties where none of them have declared their intention to increase their commitments during the ministerial roundtable held in June 2014, the G77-China reminded developed countries of the low targets adopted at the Doha CMP (in 2012), which was a political compromise for the sake of the multilateral process. The G77 and China said that developing countries agreed to the Doha decision on the CP2 under the pre-condition that developed countries agree to increase their ambition through a revisit mechanism.

Several rounds of informal consultations were facilitated by the COP President Manuel Pulgar-

Vidal on the matter but to no avail. (Please see TWN Lima News Update No. 10.)

China said increasing ambition under the CP2 of KP is crucial in providing impetus to the Doha Amendments. It regretted that due to the objection of some Parties there could be no written summary of this item, noting that the G77-China had worked very hard in requesting for a contact group on the matter. It hoped that relevant Parties will exhibit the good faith and realise their ambition targets in order to provide tangible results at the Paris conference.

Report of the Adaptation Fund Board

The nine-page decision of the CMP on the report of the Adaptation Fund Board noted 'with concern the level of market prices for certified emission reductions and their expected impact on the availability of funding from the Adaptation Fund and on its ability to fulfil its mandate'.

In paragraph 6 of the decision, the CMP welcomed 'the target for the resource mobilization strategy set by the Adaptation Fund Board of USD 80 million per calendar year in 2014 and 2015'.

Paragraph 7 encouraged 'Parties included in Annex I to the Convention to provide funding to support the target referred to in paragraph 6 above and to scale up funding, with a view to the resource mobilization goal of the Board being reached from resources that are additional to the share of proceeds from Clean Development Mechanism project activities, the first international transfers of assigned amount units and the issuance of emission reduction units for activities under Article 6 of the KP'.

The decision, in paragraph 8, welcomed 'the financial contributions that have been made to the Adaptation Fund in 2014 and the pledge of EUR 50 million made by Germany towards the target referred to in paragraph 6 above'.

In paragraph 10, it requested the Adaptation Fund Board, in its future reports to the CMP, 'to provide further clarity on the effect of the fluctuation of the price of certified emission reductions and the impact of this fluctuation on the resources available to the Fund'.

Second Review of the Adaptation Fund Board

The decision on the second review of the Adaptation Fund Board 'underlined the crucial importance of the Adaptation Fund as an essential channel for supporting adaptation action and the main promoter of direct access, together with its focus on funding the full costs of concrete adaptation projects and programmes in developing countries'.

It also noted ‘with deep concern the continued issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund, given the current prices of certified emission reductions, which affect its ability to fulfil its mandate’.

In paragraph 6 of the decision, the CMP requested ‘the Adaptation Fund Board to consider options for developing operational linkages, as appropriate, between the Adaptation Fund and constituted bodies under the Convention, taking into

consideration the mandates of the respective bodies’.

In paragraph 8, it decided ‘to extend to June 2017 the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund, with a view to further consideration by the CMP of options for permanent institutional arrangements for the secretariat and trustee, including via an open and competitive bidding process and on the basis of the cost and time frame of each option and its legal and financial implications’.

TWN

Lima News Update

30

www.twn.my

Published by
Third World Network

19 December 2014

ADP: Developing Countries Cite Reasons for Rejection of Co-chairs' Text

Lima, 19 December (Indrajit Bose) – Six-and-a-half hours after an informal plenary session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) was suspended around 4 am on 13 December, the ADP met again for its closing plenary at 10 am.

At the informal plenary earlier, a new version of the draft decision prepared by the Co-chairs had been distributed and Parties had sought time to go through the document.

When the formal plenary session of the ADP began at 10 am on Saturday, a large number of developing countries criticised the draft decision provided by the ADP Co-chairs. Developing countries, including the Least Developed Countries (LDC), African Group, and the Like Minded Developing Countries (LMDC), rejected the text, citing serious concerns and called on the COP20 President, Peruvian Environment Minister Manuel Pulgar-Vidal, to help find a way for an acceptable text.

Saudi Arabia, Venezuela, Nigeria, Algeria, the Democratic Republic of Congo, Egypt, El Salvador, the Solomon Islands, India, Argentina, Uganda, Cuba, Pakistan, Oman, Nicaragua, Senegal and China added their voices to the statements by the developing country groupings and said that the text could not be the basis to move discussions forward. South Africa and Brazil, while expressing their opposition to the Co-chairs' text, said they could work with the text subject to minor modifications.

On the other hand, Chile, speaking for the Association of Independent Latin American and Caribbean states (AILAC), the European Union, Belize, the Marshall Islands, the Russian Federation, Australia, the United States, Japan, New Zealand, Mexico, Switzerland, Turkey and the Republic of Korea supported the Co-chair's text.

When the ADP session was convened morning of Saturday, COP20 President, Manuel Pulgar-Vidal

said, 'A couple of days ago, I requested you to help me, to not leave me alone. Now I say that we need to help ourselves. We are representing what the world is seeking for. I encourage you to have an outcome in which we are able to find balance.' Following this request by Vidal, ADP Co-chair Artur Runge-Metzger (EU) invited delegates to consider the draft decision text as an outcome of the ADP's work.

Speaking for the **Like Minded Developing Countries (LMDC)**, Malaysia said, 'We all started off from different starting points. Many of you colonized us; so we started from a completely different point and that is why one of the manifestations of differentiation is in the Convention itself. There must be a differentiation between Annex I and non-Annex I countries, and this you must appreciate because collectively this is what we concluded.'

It added that they had a few key points that they had communicated to the ADP Co-chairs, time and again, through the meetings, through the negotiations, 'through you the Co-chairs to the rest of the world, but these red lines were unfortunately not addressed in the text'. 'And for those who so gratuitously describe others who do not agree with them as people having an ego, people who would bicker needlessly, let me tell you this. Let me point out for those of you who so flippantly categorise and psycho-analyse others, the key points of our red lines, which we have communicated, not only in the course of negotiations but as well to the presidency,' it said.

'One, this text is operating under the principles of the Convention, especially equity and CBDR; two, differentiation between Annex I and non-Annex I in intended nationally determined contributions (INDCs) is recognized and operationalized; three, there should be no introduction of new terms, such as "other Parties in a position to do so", or "other Parties willing to do so" under the next text. These

terms and concepts are completely alien to the Convention; four, the scope of the INDCs includes all the elements: mitigation, adaptation, loss and damage, finance, technology, capacity building, transparency. It should not be mitigation centric. In particular, there has to be parallel information on financial contributions, which is required to support the developing country contributions on mitigation and other climate actions; five, the contents of the decision will not prejudice the terms and contents of the 2015 agreement; six, there should not be activities on assessment of INDCs in 2015 and a process of assessment can be considered after 2015 on terms to be agreed to; and finally, in the process to build the negotiating text for the 2015 agreement, the submissions of Parties are crucial components that will be drawn upon,' said Malaysia.

'Now, we had these red lines and then the text was presented to us (referring to an earlier draft decision of the Co-chairs' text which had various options in relation to the INDCs). We provided textual language. Now, in almost every option we indicated our preference for option 1, but then we indicated very clearly a willingness to work on option 2 and even option 3, but with modifications, with some of our ideas infused into option 2 and option 3. Now, how more compromising can one get? What else do you want us to do; go on bended knees and completely accede to your text?' lamented Malaysia.

'We provided textual language but we noted that our textual language was not recorded by anyone. Normally in a process...when you present a text and that language is going to be taken seriously, we are asked, "can you put it in writing?" I offered that I could present it in writing. This offer is not taken up. From the visual I could see there was nothing being recorded and therefore it is not surprising that we are thoroughly disappointed that our points are not taken up in the new text. It's not a question of not compromising. Let me emphasise this again. We offered textual language in respect of all three options of all the key matters. We bent, and we bent. We can be flexible but we cannot bend flexibility to a breaking point, colleagues.'

It then gave some specific examples of the group's disappointment with regard to the text. 'The CBDR and other principles of the Convention are not adequately recognised, and especially not operationalised. And we tried to put this in and we would have present language that we have gladly put into options 2 and 3 to reflect this. It could be accepted, it could be rejected, but it cannot be dismissed out of hand. That is our complaint. That is our fundamental complaint. Two, there is no recognition of CBDR or differentiation on INDCs

and the information to be submitted on INDCs. Three, terms such as "other countries willing to do so" are used. Four, the finance issue is inadequately treated in the text, with no requirement for developed countries to provide information on their finance contributions. Five, the text is mitigation centric. Six, the draft decision is pre-judging the core elements of the Paris agreement. This is because of the above factors, including the absence of differentiation. There is an establishment of a mandatory system of mitigation in the text and but a lack of finance commitments in the text. Seven, there are activities on assessment in 2015 such as workshop and secretariat paper. Eight, para 4 elevates the Co-chairs' elements non-paper to be the basis of continuing the work on elements, even though it has no legal status and there has been little discussion on it, while the views and submissions of Parties are not mentioned. We are prepared to make adjustments in this regard. We have several other points, including on the pre-2020 workstream. Our conclusion then is that it appears that the ADP process in Lima has been exhausted...it requires some surgery and we would like to engage in a process to continue to try to arrive at an outcome, but under the scalpel of the chief surgeon, the Presidency itself. So we hope then our key points can be included in any future text that could be so deftly treated by the chief surgeon, the Presidency and we are willing as we have always been to provide our ideas and language which we have ready,' it said.

Malaysia then pointed out the importance of a Party-driven process. 'We would like to point out that only a genuinely member-driven process can result in a consensus. We have been strongly requesting the Co-chairs to allow and arrange a genuinely member-driven process with views and submissions of members, placed on the screen with a compiled text and in Party-to-Party negotiations. Unfortunately, the open and participatory process did start and we are so grateful for that. But it began only in the first week of Lima. We were satisfied with this process as it enabled Parties to see the common and different views and to negotiate. But time has defeated us in a sense. In our view, it is not this process that is wrong, but that this process was not given its proper chance until it was too late. We propose that the genuine member-driven process be followed when the ADP resumes. The process by which the Co-chairs provide one draft after another, which does not satisfactorily reflect the various views of Parties, is unlikely to produce an outcome everyone can own and therefore succeed. We blame no one. Everyone has tried their best but these are very serious concerns. They have to be addressed

when we talk about beneficial to the world and all that, you must recognize that there is a world out there, which is different from your world. Tuvalu expressed it (see below). There is a poor world. There is a dis-enfranchised world. Recognise that and let's proceed under the Presidency in a spirit of openness to recognize the reality that faces us all,' it said, to a resounding applause.

Speaking for **the African Group, Sudan** said that negotiations under the ADP were taking place under a mandate. 'There are some concerns that African Group has communicated. It is our view that the ADP is under the Convention and that all our work is in accordance with the principles and provisions of the Convention. This is one of the key points to arrive at a successful outcome in Paris. The second African Group red line that needs to be accommodated in Lima and subsequently is we shall not undermine the concept of differentiation, implicitly or explicitly. On the scope of INDCs, we had the hope for legal parity on all elements: mitigation, adaptation, finance, technology, capacity building and transparency. The African Group's priorities include adaptation, finance, capacity building and technology. It is our view that these will receive equal and balanced treatment. We cannot accept hierarchy that puts mitigation over adaptation. It will be difficult for Africa to provide INDCs on mitigation if there is no INDC on finance by developed countries with a clear roadmap on the path going forward. We indicated that as part of the INDC process, as well as recognizing the parity of various elements, information should be defined for these elements. We must have greater clarity on INDCs from developed countries on means of implementation for adaptation, and on finance, technology and capacity building more generally. It is important we don't overburden developing countries with information they need to provide. We expressed our position that any consideration of information should include consideration of adaptation and support information. In the decision before us, we are concerned. It doesn't treat elements with parity. Some elements are treated as voluntary and some as obligatory. It compromises differentiation where there is an expectation of same information for all Parties. We are ready to work with you, but we are of the view that the decision impinges on a number of aspects, which will need consideration. We are assured that we can be advised on a mode of work to ensure these considerations. We seek guidance on how to arrive at a balanced text. The Africa Group will not be able to proceed on the basis presented to us,' it said.

Tuvalu for **the LDCs** said it had looked carefully at the text. 'It is a text that represents many compromises. There are many elements for which we are grateful. We welcome special consideration to LDCs; we welcome reference to the elements text, but this text needs surgery. We need to put on our gloves and scalpels, and a few organs need to be inserted. "Loss and Damage" has disappeared from the text and this needs to be inserted. LDC met last night and there was an overwhelming message that we need to see loss and damage in the text. This is crucial for the poor and most vulnerable. Often, these poor communities are left with nothing. They lose their crops, livestock, everything. We need a permanent arrangement to help the poor of the world to rebuild climate change. It would be a tragedy if we denied the poor. We implore not to allow this COP to be remembered as the COP where we denied the poor,' said **Tuvalu**, to a big applause in the conference hall.

Algeria spoke for **the Arab Group** and expressed regret that the text did not take into account the concerns they had expressed earlier. 'It is far from the principles and provisions of the Convention. Differentiated responsibility is absent here. It does not focus sufficiently on adaptation, which is a key issue for us. The text does not seek to differentiate commitments under Article 4 of the Convention. Technical cooperation has not been given sufficient emphasis to achieve the objective of the Convention. We cannot consider this text,' said Algeria, calling for a new text by the COP20 President.

South Africa speaking for **BASIC (Brazil, South Africa, India and China)** reminded Parties that the ADP process was born in Durban and it will ensure that Parties leave Lima with a decision that lays the foundation of the 2015 agreement. 'As we continue to deliberate here, global carbon emissions are rising. We support concerns raised by the African Group. The BASIC would like to raise the points also in support of the Africa Group. We consider providing balance between the components of work that's done to address climate change. Secondly, we address differentiation as described by Sudan. We also want to support how the assessment process is done. We believe with small adjustments, this text could be acceptable to all of us. We request you to allow a little bit more time for the final adjustments to be made.'

Saudi Arabia highlighted the fact it is important to face that there are differences and it is important to care for those differences in a manner where Parties' work does not get lost. 'This text does not capture the snapshot that builds on what we have

over the last 20 years. If we lose all that, it will not help. We feel we have a text here that is prejudging the process. We said we wanted to see parity but we don't see other elements. Where is the parity?' it asked.

Venezuela said this has to be a Party-led process and that Parties have two visions of reality of the world, which are very different. 'This is why we speak of CBDR. There is one part of the global community that does not accept that there is differentiation and there is another part that talks of historical responsibility. My country could be flexible in creating ideas, but what we cannot be flexible about are the principles. We never said we are renegotiating the Convention. This is regrettable if this is the way we are trying to build transparency,' it said.

Egypt said that the argument that Parties were unhappy with the text did not translate into making it a fair text. The text not only pre-judges the Paris outcome, but it undermines the legal framework of the UNFCCC. 'The eyes of the world are on us and the world deserves from us an outcome that is fair,' it said.

El Salvador said the decision does not take on commitments, vis-à-vis need for adaptation or loss and damage. 'This does not correspond to the reality of climate change. The text does not respond to the needs of more than half of the planet that continues to get affected. We beg of all Parties present here and to the President to make one final effort. Let us all fully take on CBDR in the combat against climate change. Let us not disappoint the world,' it said.

Argentina said according to this text, the obligations will be the same for all the countries and without a clear reference to differentiated treatment; developing countries will not be in a position to implement the Convention, nor the commitments mentioned here. 'Equity means we have to treat in a same way all of those who are in similar situations. A text of this nature will not be fair; above all it will not be feasible if implemented. We have submitted several options to reflect this differentiation, from the very beginning of the presentation of information for contributions but unfortunately we didn't manage to get enough support. The challenge of this climate change agenda in developing countries is finding a balance between dealing with climate change and tackling the challenges that stem from the agenda of eradication of poverty. On this point, CBDR is a fundamental element. Furthermore, we understand differentiation is a central element to the Convention and we believe its focus should not be weakened; not subjected to reinterpretation. If we don't respect

CBDR, developing countries will run the risk of being those who will not be able to comply ever, whereas a number of us are making serious efforts to forward this agenda. Argentina is a country which needs clear rules in a multilateral system and in that spirit we are committed to working with the Presidency for the success of this conference,' it said.

India said that what Africa, the LDCs and the LMDC are saying must be appreciated. The concerns are genuine and the issues must be amicably resolved. No one wants to break away, said India. 'We need an arrangement that recognizes all the elements of INDCs, the full scope along with provision for means of implementation. Let us not forget billions of poor because every climate action has a cost. If we do not take a balanced approach, it will be injustice to the poor. Instead of making polluters pay, let us not make the poor pay. We are therefore ready to sort out the issues with the COP Presidency in a balanced manner,' said India.

China said that the text remained unbalanced. The current text reflects neither the principles of CBDR and differentiation between developed and developing countries, nor the urgency for action pre-2020. The draft needs to be amended further to reflect the differentiation between developed and developing countries and to broadly express the concern of developing countries. It said it hoped that for a Lima consensus and to emerge from the deadlock, the COP President could play an appropriate guiding role to harmonise the different positions and improve the text so that the conference can have a balanced text as well as establish a good process for Paris.

Cuba said it's committed to achieving an international agreement to fight climate change that is fair and balanced and respects the principles underlined in the Convention. It cannot mean a transfer of responsibility, it said. The document is insufficient in essential elements such as finance and differentiation and hence does not enjoy consensus. Cuba supported the idea of putting the text in the hands of the COP20 President.

Nicaragua said that 'We are working under the Convention but the text is to weaken and supplant the Convention.' 'We will continue to defend the Convention, which is the only climate governance system that we have. It is clear that this meeting is a reflection of our differentiated world, our differentiated reality and needs, when it comes to climate change. We have been experiencing disasters year after year and suffering the consequences of a problem we did not create. There is no reference to an international mechanism on loss and damage;

there is no consensus on differentiation. We are aware of historical responsibility as well as CBDR. From the statements in the meeting, it is clear that there is no consensus on the draft text. Going by previous experiences, we have had huddles, which is basically an agreement of the few. We will not accept that manner of proceeding,' it said.

Pakistan articulated that there are flaws in the document and detailed the issues. It sought to clarify the confusion and called for inclusivity.

Brazil said, 'We understand we operate on a rules based system. UNFCCC is the law among its Parties. Its principles, provisions and structures are not a mere reference. All of our work is to find ways to implement the Convention in its entirety; not to do away portions of it or implement it selectively. We are engaged in a process to strengthen the climate change regime, not to weaken it. There is no bifurcated or binary approach in the UNFCCC. There is, however, recognition that Parties have different circumstances and levels of development. They have differing historical responsibilities and capabilities. This diversity has not precluded Parties to agree in pursuing ambition in addressing climate change in a global scale. I remind you most of the mitigation efforts today are taken upon by developing countries on a purely voluntary basis. Rather than do away with differentiation, we should harness on it to add our efforts together towards increased ambition overtime. We still live in a world of deep inequalities. Our collaboration in the UNFCCC should be based on solidarity and support for sustainable development. Differentiation is not a reference belonging to the past. It is a reality which enables Parties to recognize themselves in a fair and equitable regime. It has not hindered ambition but rather enhanced it. In this light the notion of self-differentiation is tantamount to annihilation of the UNFCCC. It will promote backtracking, dwindling ambition and ultimately the perception of an unjust regime where Parties are encouraged to pursue a less-is-more approach. Let me make sure collectively that the drive towards less ambition, weaker rules and consequently the relevance of multilateralism is not our chosen path. The Paris agreement will be solidly built under the Convention that will hopefully take us into the full and global implementation phase this regime has been striving for. Having said that I would like to assure you and the COP President of our desire to work together in order to find a consensus on the basis of the proposed decision with minor surgical adjustments,' said Brazil.

Senegal said, 'The text is unbalanced and not satisfactory. Lima is nothing but a step to the path

forward. We haven't been able to obtain what we wanted but we cannot artificially force a conclusion on this today, when a great many delegations have left; some ministers are not here anymore. The principle of a balanced text is what should guide us.'

Nigeria stressed on the need to make adequate reference to principles and provisions of the Convention and differentiation between Annex I and non-Annex I Parties. It also called for mitigation and adaptation to be equally treated. It supported the statement by the African Group and the LMDC.

The Democratic Republic of Congo said parity among the six elements is missing. It is important that historical responsibility is maintained and for the text to reflect differentiation. The scope must go beyond mitigation and cover all elements. 'This text is not acceptable to us,' it said.

The Solomon Islands said the text had 'dropped off' loss and damage. 'Those states who are saying this is a compromise text, the question is, can our people live with it? The answer is, the draft decision has a human face to it. It leaves out the poor and the vulnerable. We would like to give hope and insert loss and damage as a standalone element. Please listen to our people,' it said.

Uganda underscored the need for a balanced text that can meet the aspirations and should not in any way attempt to rewrite or renegotiate the principles of the Convention. The text recalled the need for balanced treatment of all the Durban elements, in particular adaptation and means of implementation, with particular focus on financing of vulnerable developing countries. It said that loss and damage was missing from the text and reiterated that the issue must be an essential ingredient in the agreement.

Talking about its meeting with ministers the previous day, **Singapore** said the issues that emerged included one, a strong sense of urgency to make progress; two, there needs to be a strong sense of trust. (*The previous day, ministers of Singapore and Norway facilitated a meeting with the ministers of countries present at COP20, under the guidance of the COP President.*) Singapore iterated that trust is required in five areas: decision to be under the Convention and guided by its principles; balance in the scope of INDCs; finance support available and no backsliding of prior commitments by the developed countries; scale of ambition should be adequate to meet the 2°C or even 1.5°C challenge; Lima should not prejudge the future legal form or even the shape and structure or the firewall that would be an integral characteristic of the legal agreement. Singapore said there had been a serious

attempt to improve the text in the five areas but ‘recognizes that this glass is not completely full and further adjustments are needed to make it universally acceptable to all’. Using the analogy of surgery and asking if it was necessary, Singapore added, ‘If each of us just submits one paragraph, it will inflate the document beyond recognition,’ it said and appealed to everyone to ‘very carefully and judiciously’ offer the potential amendments to the President for consideration.

The Republic of Korea added that there is no time to lose and to move together since the draft decision is the outcome of common efforts. It said that whatever issues need to be addressed could be done at the next meeting.

Mexico added that Parties had the responsibility of reaching a decision and that they must continue their efforts till they reach an agreement that is beneficial for the planet as well as society. It supported the text.

Speaking for **the Association of Independent Latin American and Caribbean states (AILAC)**, **Chile** said that it is clear that this is a compromise text. ‘Our positions are far apart. At the same time, we value what we have before us. This is a text that would make everyone unhappy. We have given up something. This is a text where we win something as well. Postponing decision today would be imposing a serious setback,’ it said.

The European Union (EU) said that the text certainly does not reflect the views of the EU. ‘Many of the EU wishes were either not represented or weakly reflected. However, we need the stage to move forward to Paris to be able to reach a global agreement in Paris. Give up a little and find common ground. We need everyone to do its part.’ The EU expressed support for the text.

Speaking for **the Environment Integrity Group (EIG)**, **Switzerland** said that the group is ready to endorse and support the text. ‘We have outlined our vision but have not been able to achieve the vision we aimed to. None of us is really happy. Nevertheless, EIG is ready to endorse and support the text,’ said Switzerland.

Turkey said that the text does not prejudice Parties’ positions and that it can live with the text and is prepared to endorse it as is, ‘fully noting the reservations made by Parties’. It added that it is not in a position to support a bifurcated approach based on the current Annexes.

Belize said that it needed the ex-ante provision (in considering the INDCs), which was there in the text. ‘If we have to open the text, I am afraid we go into two paths. We either try to get everything or we

get a least common denominator.’ It supported adoption of the text. **The Marshall Islands** said it is not happy with the text but supported it, highlighting that Parties do not have the luxury of time.

Australia said that there are missing parts and that it has heard the concerns. ‘We think these are issues we have to work collectively next year. The compromise text is the best basis to move forward now,’ it said. **New Zealand** said no Party had been ignored and the text sought to steer around redlines instead. ‘Of course we too have textual suggestions, but I will not be making them,’ it said. The text does not pre-judge and if it is not possible to accept the text as a compromise, the real risk would be that much less would be achieved rather than more, it added further.

Japan too said that the text was carefully crafted and that it does not prejudge the result of the discussion during the course of 2015. ‘There are parts where we are not satisfied and which do not reflect fully our views. However, as many Parties have pointed out, this is a text of compromise and we have very little time left. So Japan is willing to accept text as is,’ it said.

The United States said that there are many things in this text that did not reflect their strongly-held views, such as on scope, differentiation and ex-ante process or the pre-2020 forum. ‘We will offer new language to fix every one of those points, but we have no time for lengthy new negotiations. We are not saying modification by the Presidency is not possible, but we must be mindful that this text represents a hard-won balance and that the hourglass is running down.’ It said the success of the COP is at stake; Paris is at stake; and the future of UNFCCC as a body to address climate change effectively at the international level is also at stake. Failure to produce a decision will be seen as a major breakdown and will be seen as a serious blow to the confidence of Parties and others as we approach Paris, and indeed to the hope of the Paris agreement, it added. ‘If Parties agreed on the way forward, it would mean that for the first time, there would be a stable, durable, rules-based climate agreement with legal force that is more ambitious than ever before,’ it added.

‘Even if (the agreement) is not ambitious enough, it is built to last, calling for the progressive ramping up of the ambition of regular periodic cycles that is applicable to all in a genuine, non-formalistic manner that is fully differentiated. The nationally determined structure, with a principle that says we shall not go backward on ambition, and with CBDR-RC represented and expressed in the light on national circumstances, so that all the interests of countries,

developing countries in growth, development and eradicating poverty are fully protected. This will also be a new agreement built on the foundation of solid rules based on accountability with strong transparency, review and reporting. It will be an agreement that elevates adaptation, both from the point of view of adaptation and implementation. It would encompass a commitment for large-scale finance would send a potent signal to the global community... So let us focus now and not throw away what we have achieved and what we can achieve. Every issue that people are arguing about here is preserved in the draft elements text. You are not compromising your positions if this text stays neutral on your issues. There are many opposing points of view, for example on differentiation. Our point of view, believe me, does not prevail here in this decision but we know that it is preserved as an option in the elements text. So let us now move forward. I am quite certain that we will live to regret

it if we let perfect be the enemy of the good in Lima,' stressed the US.

Following the reactions of Parties, ADP Co-chair Runge-Metzger said that 'given that there is no consensus in the room, and under our own authority and having heard the different views in the room, my Co-chair and I will transmit the text to the COP President so he may lead consultations to agree on a text that the COP can adopt today.'

Vidal then announced that he would meet with groups of countries through the afternoon and come up with a draft decision text. Closed-door meetings followed through the afternoon and evening and a draft text was adopted early on 14 December (See [TWN Update 24](#): 'COP20 concludes with decision, after day of drama').

The ADP closing meeting also saw the election of two new Co-chairs viz. Ahmad Djoghlaif (Algeria) and Daniel Reifsnyder (US). The next meeting of the ADP will be in Geneva, Switzerland in February next year.

TWN

Lima News Update 31

www.twn.my

Published by
Third World Network

27 December 2014

Impasse over Institutional Arrangements for Response Measures

Kuala Lumpur, 29 December (Hilary Chiew) – The 20th Conference of the Parties (COP20) of the United Nations Framework Convention on Climate Change (UNFCCC) concluded without taking any decision on the fate of the forum and future institutional arrangements to deal with the impact of the implementation of response measures after such a decision was postponed from the last COP in Warsaw in 2013.

To the dismay of developing countries, they would have to wait another year to see if a solution can be found to address the negative economic and social consequences of response measures taken to address climate change by developed countries, both actual and potential, that they are already facing.

After days of wrangling on the way forward, Parties could not reach an agreement despite intense informal consultations which were conducted following the instructions of the COP20 President Manuel Pulgar-Vidal. By the fourth and last informal consultation which was attended by heads of delegation on 11 December, it was clear that the impasse could not be resolved although Parties had, during the three informal consultations conducted earlier in the second week, moved beyond the initial draft decision (FCCC/SB/2014/L.6/Rev.1) arrived at the closing of the 41st session of the Subsidiary Body for Scientific and Technological Advice (SBSTA41) on 6 December.

Parties had deliberated further on a three-page draft decision by inserting detailed wordings particularly on institutional arrangements that were bracketed.

Chairing the last informal consultation in the morning of 11 December, Subsidiary Body for Implementation (SBI) chair Amena Yauvoli (Fiji) tried to move discussions into bilaterals between Annex I and non-Annex I Parties on the contentious paragraph 6 regarding ‘or propose other future institutional arrangement’ but was strongly resisted by **the European Union and the United States**.

As the clock ticked to noon, SBI’s chair Yauvoli conceded that there was no agreement and he would

forward the draft decision of 6 December to the COP President. In the afternoon, he reported at the COP stocktake plenary that as there was no consensus, Parties agreed to a continuation of the deliberations based on the annex of the draft decision at the next subsidiary bodies’ session.

On 12 December, the COP adopted a decision to forward the draft decision containing the three-page annex for further consideration by the SBs at their 42nd session in June 2015, with a view to recommending a draft decision on this matter for adoption by COP21 (in Paris next year). This matter has been dealt with as a joint agenda item of the SBI and SBSTA.

From the start, developed countries were reluctant to enter into textual negotiations proposed by developing countries, citing the need to further share information and improve understanding of the impacts of response measures.

(The forum and work programme have been discussing the impacts and areas of convergence for collaboration for two years since 2012. Decision 8/CP.17 (COP17 in Durban in 2011) adopted a work programme with the objective of improving the understanding of the impact of the implementation of response measures in eight distinct areas. In addition, COP17 decided to establish the forum on the impact of the implementation of response measures mandated to meet twice a year under a joint agenda item of the subsidiary bodies. The SBs had a mandate to review at SB39 in Warsaw, the work of the forum including the need for its continuation, with a view to providing recommendations to COP19. Thus, the forum consolidates all progressive discussions related to response measures under the Convention and the Kyoto Protocol. A total of six in-forum workshops, one expert meeting and one in-forum discussion were held starting from COP18 at Doha with the last in-forum workshop on area (b): cooperation on response strategies held in Warsaw.)

During the first week of the two-week climate talks in Lima, Peru (1 to 12 December), eight contact

group sessions were held. Developed countries refused to work beyond 6pm as they wanted to stick to the strict time-management prescribed by the COP President. Developing countries sought clarification on the time-management, and were informed that an exception can be made for discussions to continue after 6pm with the agreement of all Parties concerned. Developing countries had expressed their deep disappointment over the unwillingness of the developed countries to work beyond the official time and were frustrated that the time-management was a convenient excuse to stall negotiations. As time was running out towards the second week, Parties were holding meetings as early as 8am (as proposed by the co-facilitators) to progress the work.

Highlights of discussions under the contact group

At the first contact group on 2 December, **Argentina** speaking for **the G77-China** reaffirmed that all developing countries face economic and social consequences of response measures (actual and potential) in different ways. The Group reiterated the importance to give full consideration to what actions are necessary, including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing countries arising from the impact of the implementation of response measures, in accordance with the principles and provisions of the Convention. It said the issue has to be seen in the broader objective of the achievement of sustainable development in its economic, social and environmental dimensions and the first and overriding priorities of developing countries of poverty eradication and economic and social development.

‘In this regard, we welcome the process agreed in the 40th Sessions of the Subsidiary Bodies for submissions by Parties, experts, practitioners and relevant organisations, as well as the preparation of the technical paper and synthesis report by the Secretariat, with the aim for the SBs to provide recommendations to COP20,’ it added.

It further reaffirmed the contents of the recent G77 and China submissions, in particular the June and October submissions, for the continuation of the forum and the establishment of a mechanism to avoid and minimise the negative economic and social consequences of response measures taken by developed countries on developing countries, and in particular to address policy issues of concern, such as unilateral measures, adding that it believed the Group’s proposal has key substantive elements towards the achievement of progress in these sessions (SB41) and hoped for the adoption of a decision on the issue in Lima.

It called on Parties to enter into drafting mode as soon as possible, on the basis of the submissions for draft decisions tabled in June and that the

elements included in the synthesis paper and technical paper can serve as complementary background for the drafting process, in order to be able to reach a decision on the issue.

In this respect, the G77 and China reiterated some of the key elements of its submissions:

- From the results of the review of the work of the forum on the impact of the implementation of response measures finalised in COP 19 in Warsaw, there are still gaps of implementation of the relevant principles and provisions of the Convention and its Kyoto Protocol to address the specific needs and concerns of developing countries arising from the impact of the implementation of response measures. This signifies that there is a need for further detailed substantive work and specific action on the matter.
- Even if the forum on the impact of the implementation of response measures has proved useful for exchange of experiences and information, it has been incapable of taking specific actions to address implementation gaps to avoid and minimise negative economic and social consequences of response measures. Thus, any work on the matter must be focused on the specific needs and concerns of developing countries arising from the impact of the implementation of response measures, as any other issue would be beyond the scope of this agenda item.
- Some of the areas where collaboration and cooperation could be enhanced and where there are still gaps of implementation are:
- Exchange of views, sharing information and expertise to inform policy choices of response measures taken by developed country Parties;
- Facilitation of technical collaboration among Parties and experts on tools, including studies, modelling and methodologies, to assist developing country Parties in addressing negative economic and social consequences of response measures, in particular in relation to specific action for economic transformation and diversification;
- Cooperation of modelling teams among Parties, to seek consensus on methodology development and scenarios setting and for models to take into account the specific national economic and social conditions and needs of developing countries;
- Partnership with organisations in the research and assessment of developing countries’ concerns and needs rising from the impacts of the implementation of response measures;
- Cooperation under the Convention to enhance the reporting of Annex I Parties of the impacts of their response measures on developing

- countries, and how they are minimising the adverse effects on developing countries;
- Promotion of cooperation for the fulfilment of developed countries' obligations in terms of support of financial resources, transfer of technology and capacity building to developing countries, in order for the latter to be able to deal with the negative impacts of the implementation of response measures;
- Support of multilateral solutions, in opposition to unilateral measures, and that, as agreed in decision 1.CP.18, are policy issues of concern;
- Co-operation to ensure that 'measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade' (Article 3.5 of the UNFCCC);
- Co-operation for response measures taken by developed countries not to undermine the development nor constitute a means of transferring the burden of climate change mitigation obligations of developed countries to developing country Parties;
- collaboration for the development of mechanisms for a just transition of the workforce and the creation of decent work, in accordance with nationally defined priorities and through a consultation process involving the relevant stakeholders; and
- Co-operation on the assessment of response measures taken by developed country Parties, and this assessment should include, inter alia, the following: – if the measure is consistent with UNFCCC principles and provisions and Kyoto Protocol's relevant articles; if there has been consultation with potentially affected developing countries and if their special conditions have been duly taken into account; if the measure is based on scientific evidence; if the measures have a legitimate objective, like combating climate change; if the measure is the most effective means to achieve the objective of combating climate change and is less trade restrictive; if there is a fulfilment of the developed countries' obligations related to the provision of specific support to developing countries (transfer of technology, financial resources and capacity building); and the assessment should be undertaken in both quantitative and qualitative terms as well as ex-ante and ex-post and takes into account the specific national conditions of developing countries and their priorities, needs and circumstances.

Ghana representing **the African Group** welcomed the strategy paper and technical paper prepared by the secretariat and viewed them as useful

documents for negotiation, noting that there are gaps that need to be addressed. As time was limited, it proposed moving immediately into textual negotiation. **South Africa** also supported progressing into textual negotiations to lead to a decision in Lima.

Saudi Arabia speaking for **the Arab Group and the Like-minded Developing Countries (LMDC)** said sustainable development of developing countries needs extreme attention as hasty decision of policy measures would affect employment opportunities in developing countries and the rights of the people to decent living standards. It reminded Parties that this work was supposed to be done a year ago. 'Parties are here for actions and solid actions will need the mechanism (as proposed in the G77-China submission in Warsaw) to address the gaps and establish robust process to implement the findings. Discussions are useful but we need actions. We urge Parties to show seriousness in handling this topic with solid proposals and deal with it in a comprehensive manner,' it stressed.

Singapore said it looked forward to a good outcome at COP20 where Parties could at least agree minimally to the continuation of the forum. **Tanzania** said it expected developed countries to consider the submission of the G77-China which is based on the challenges on the ground.

The United States said it is clear from the (strategy and technical) papers and statements (of developing countries) that gaps in implementation remained. Therefore, it proposed that 'we continue our mode of work to improve our understanding especially through exchanging experience, lessons learnt and best practices'.

The European Union welcomed the technical and strategy papers prepared by the secretariat. It wanted the conversation to be focused on substance aiming at balancing both positive and negative impacts of response measures. To improve cooperation on this issue, it said full exploitation of the potential of the forum is needed to provide guidance and best practices. It said there is no need for a process that focuses on text.

Australia echoed that the papers by the secretariat provided an excellent basis for discussions although not everything in the paper reflected its position. It supported the EU and the US call for continuation of discussions in a more structured way. It said we must not lose sight of the Convention which recognised that growth is threatened by climate change and it is more costly not to act.

Japan said there is a significant gap between developed and developing countries' understanding of the impacts. It also wanted both negative and positive impacts to be treated in a balanced manner so the best way for cooperation is to continue sharing of information and best practices to further improve understanding via the forum.

In response, **China** acknowledged that every measure and action would have two sides to them noting that ‘we are gathering here not to prevent implementation of the measures but to provide solutions and improvement of the measures’. While it welcomed the positive impacts, it pointed out that to resolve the problems (arising from implementation of response measures by developed countries on developing countries), Parties should focus attention and use the limited negotiation time on the negative impacts of response measures. It believed that the forum has been a useful platform for addressing the impacts of response measures for the past two years and called for the mandate of the forum to be extended. However, it also stressed the need for some concrete actions; hence, the proposal for the establishment of a mechanism.

At the third contact group in the morning of 3 December, developing countries pushed for discussions to go into drafting mode with the remaining time to reach a decision in Lima based on the draft decision that Parties mandated the co-facilitators to prepare.

Australia said it was a bit confused why Parties want to go down the path (of drafting) at this stage. It preferred the United States’ suggestion to have discussions on the basis of the technical paper as it would not support textual negotiations.

Co-facilitator Eduardo Calvo (Peru) explained to Parties how the draft decision was prepared and the origins of the content of the preambular and operational part of the draft decision. He said he took the technical paper as the starting point and he is cognisant that the draft decision cannot satisfy all but it was nevertheless based on convergence of elements, noting that convergence is not agreement but areas where there is overlap of ideas. He also explained that the preambular texts are taken from Parties’ submissions and work of the forum.

To this, **the EU** said it appreciated the process and definitely wanted to support the co-facilitators’ approach for a draft decision text. However, it expressed surprise at the approach and that its main concern lay with the paragraph which is not looking at convergence but (will take Parties on a) different direction, in reference to paragraph 8 which reads: *‘Decides to establish a Mechanism for Enhanced Action on Response Measures, and requests the subsidiary bodies to develop the functions and modalities of the mechanism at their forty-second sessions, for consideration and adoption by the Conference of the Parties at its twenty-first session (November-December 2015).’*

At the contact group meeting at 5pm on 4 December, **the United States, Japan and Canada** said paragraph 8 was a redline for them, noting that it was premature to establish the mechanism with

the difficulties in assessing impacts of response measures.

Argentina speaking for **the G77-China** appealed to Parties to continue discussions and said that the group was prepared to work through the night.

The US said it could not commit to further informal consultations, saying that the secretariat and co-facilitators in relation to other agenda items were not available after 6pm. It demanded a clear answer from the secretariat on this directive.

The secretariat replied that the directive from the SB chairs was that Parties work in formal group until 6pm but can continue to working in an informal mode after 6pm (without secretariat presence). It said the special offer made by the co-chairs of the SBs on this agenda item was to complete work in Lima, adding that it was up to Parties if they are prepared to work and the secretariat could help Parties reach agreement.

To this, **Canada** said it was concerned that the revised version of the draft decision text required attentive reading and preferred to continue discussions the following day. **New Zealand** reiterated the concerns of the US and Canada particularly regarding the 6pm stop-work directive.

Co-facilitator Calvo said he heard Parties could not have informal discussions in the evening and asked if they are ready to meet at 8am the following day.

In response, **Saudi Arabia** raised point-of-order. It said it has not heard any objections to the SB co-chairs’ offer for Parties to work informally after 6pm. It urged Parties to approach this item seriously as ‘we want a just treatment of this topic’. It further pointed out that this item was overdue as the work was supposed to have ended a year ago.

In response, Calvo said some Parties had objected to working at night, thus the secretariat cannot be blamed for what Parties decide to do with their time but he had proposed that Parties start work at 8am the following day.

Ghana for the **African Group** and **Argentina** for **the G77-China** voiced their disappointment with those who were not willing to work. In response, **Canada** said availability of Parties changed with time but in the interest of equity and fairness, no meeting should be held without the presence of all Parties.

At the last contact group on 5 December, Parties could not conclude their work and agreed to transmit the heavily bracketed draft decision text (FCCC/SB/2014/L.6/Rev.1) to COP20 for continued consideration. On 8 December, during the COP stock-take plenary, the COP President Pulgar-Vidal instructed the co-chairs of the SBs to move the issue forward with informal consultations.

Highlights of informal consultations

On 8 December, Parties met in the afternoon with discussion focusing on the number of meetings for the forum in paragraph 3 of the draft decision which reads – *‘Request the Chairs of the subsidiary bodies to convene the forum, to implement the updated work programme on the impact of the implementation of response measures, which shall meet [once] [twice] a year, in conjunction with the sessions of the subsidiary bodies [, and convene intersessionally]’*.

Developing countries argued for meetings twice a year to coincide with the meetings of the SBs and the year-end COP to enable more work to be done while developed countries preferred to have one meeting.

The EU said it witnessed that during the COP there is very little time to go into meaningful work and having one session a year in June would also send a clear signal to observers and experts. **The US** agreed with the EU that maximising participation is extremely important and burdening Parties and experts with additional meetings will be counterproductive.

In supporting the US and the EU, **Australia** said having one meeting will help focus discussion, noting that in the lead-up to Paris COP, the SBs will be under a lot of pressure. ‘Having more discussion does not mean we can move more quickly,’ it added.

Saudi Arabia speaking for **the LMDC** said considering the difficulties of the discussion and that time was never enough, Parties should not avoid giving more time for meetings.

To this, **the EU** replied that since Parties are working on the issue related to climate change, they should avoid travelling (unnecessarily) and aim for maximum participation in a climate-friendly setting.

Argentina representing **the G77-China** asked how Parties could deepen understanding and have in-depth discussions to strengthen the forum when they only want to meet once. It pointed out that the best way to maximise participation is to have the forum during both the SBs and the COP. It appealed for flexibility from Parties, stressing that there is no reason for meeting only once a year ‘if we are going to be serious about this matter’.

At the informal consultations at 6:30 pm on 9 December, SBI chair Yauvoli said as there was little time left to progress on the matter despite some Parties noting progress, he will brief the COP President to take the matter up to the ministerial level. ‘I do not have mandate to extend the deliberations as we have exhausted all our time. It is evident to me that we cannot resolve the issue,’ he said. (Outstanding issues from the SBs were given until noon on 9 December to reach an agreement.)

Canada had earlier said it believed the issue had made good progress although it could not be in

the room all the time. It said there is still room to make further progress with more time. At this juncture, **the US** said it did not support the issue going to the ministers. ‘If there is no time, it’s disappointing but as it stands, it is not in our position (for the matter) to go to the ministers,’ it stressed.

(Following this, the COP President instructed the SBs’ co-chairs to continue informal consultations.) The last informal consultation from 10am to 12pm on 11 December was attended by a number of heads of delegation.

Chairing the meeting, SBI chair Yauvoli proposed that Parties tackle paragraph 6 which in his view is the deadlock. Paragraph 6 reads as follow: *‘Requests the subsidiary bodies to review at their [forty-fifth] sessions the work of the forum, including the need for its continuation, [or propose other future institutional arrangements] with a view to providing recommendations to the Conference of the Parties at its [twenty-second session (November-December 2016);]’*

Argentina for **the G77-China** agreed with Yauvoli’s view to unlock paragraph 6 as key to unlocking the rest of the package. It stressed that the group came with the spirit of flexibility and compromise to support the Peruvian COP Presidency and urged Annex I Parties to not focus on its redline. With regard to the proposed institutional arrangement, it said it came with three different proposals demonstrating its flexibility but it did not see any flexibility from Annex I Parties, which had not proposed any other wording. It said its proposal is for finding a middle ground that would not prejudice any outcome.

The EU said it preferred text that indicated the purpose of the future approach for the institutional arrangement. ‘As we know in this process, words gather meaning. At this stage it carries too much meaning that we can bear. We do not want to raise expectations falsely and so could not accept the current form contained in the G77-China proposal,’ it stressed.

Australia, in reference to the institutional arrangement, said it is prejudging (the outcome) which it could not support. In the spirit of compromise, it is for keeping the forum and maintained reference to that.

Saudi Arabia said it came into this informal process to see if there is any possibility to come up with a programme to advance this issue next year. To reach that objective, it stressed the need to know that ‘we are not closing this option (referring to future institutional arrangement) of improving the forum’. ‘We are really trying to advance our work from a technical point so we can look ahead for possibilities. We are very flexible with the wordings to make the other side happy,’ it said, adding that ‘if the other side is trying to close this option’, then it would rather work on it next year.

The EU said the work programme has significant value to both sides and the best way to capture progress thus far is to go forward with language that strengthened the forum.

At this point, SBI's chair Yauvoli encouraged Parties to hold bilateral discussion.

This was resisted by **the EU** and **the US** citing insufficient common ground and adding new language like 'possible options' continued to be prejudicial to the work next year.

As the clock ticked to noon, Yauvoli suggested removing the paragraph or risked losing all the gains

and efforts so far but this was rejected by **the G77-China**, which urged Annex I Parties to engage bilaterally.

However, in closing the two-hour informal consultations, Yauvoli said the proposed draft decision of 6 December will be forwarded to the COP Presidency.

The COP on 12 December adopted a decision to forward the draft decision containing the three-page annex for further consideration by the SBs at their 42nd session in June 2015.

TWN

Lima News Update

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Published by
Third World Network

29 December 2014

Ministers Present Their Views on the 2015 Paris Agreement

New Delhi, 29 December (Indrajit Bose) – Ministers and heads of delegations from developing and developed countries presented their views on the 2015 climate change agreement to be concluded in Paris, at a high-level ministerial dialogue on the Durban Platform for Enhanced Action (DP) on 10 December 2014 during the twentieth Conference of Parties (COP20) in Lima.

The highlight of the dialogue was reflection on how differentiation should be tackled in the 2015 agreement. The ministers were clearly divided over the interpretation and application of the principle of ‘common but differentiated responsibilities and respective capabilities’ (CBDRRC), the cornerstone of the UN Framework Convention on Climate Change (UNFCCC).

While several developing countries stressed the importance of acknowledging differentiation in the new agreement by following the principles and provisions of the Convention, developed countries wanted to do away with the binary division of developed and developing countries.

‘I know our interpretation of CBDRRC differs, but we all agree that this principle remains the foundation of our joint endeavour,’ said COP20 President Manuel Pulgar-Vidal, who presided over the meeting and asked of the ministers and heads present to address the different interpretations of differentiation.

Ministers and heads of delegations from developing countries also stressed the importance of a balanced and comprehensive agreement that treated all the elements of mitigation, adaptation, finance, technology transfer, capacity-building and transparency of action and support in an equal manner. This was in response to concerns that developed countries are pushing a mitigation-centric agreement, with the other elements not being treated with equal weight.

China said that the Convention, its principles and provisions must not be rewritten and that the principles of equity and CBDRRC constitute the political basis to advance the DP.

India also echoed the views of China and stressed that decision on the DP mandated that the new agreement shall be under the Convention, which means it has to be in accordance with all principles and provisions of the Convention and not contravene or undermine it. India also said that it was not the right time to discuss the notion of ‘evolving CBDR’ as the task at hand was to enhance the implementation of the Convention and not to rewrite it.

Argentina added that Parties must contemplate effective differentiation on the basis of historical responsibility of those who have produced global warming and stressed on the challenge of developing countries to coordinate between adaptation and combating poverty in all its forms.

South Africa said the Paris agreement must enable meaningful participation of all countries, given that countries are at different stages of development and have different capabilities and circumstances with different development needs. The Paris agreement, it said, must be inclusive, ambitious and fair in accordance with the principles and provisions of the Convention, including CBDRRC.

Responding to the push by developed countries for a mitigation-centric agreement, **Seychelles** spoke for **the Alliance of Small Island States (AOSIS)** and said, ‘If the preferred element of one group of countries is preferred over other elements then the new agreement will not be credible and many countries will have less incentive to join.’

Bolivia said that the need is to strengthen the paradigm of the Convention based on equity and CBDR, with the expansion and strengthening of obligations of countries historically responsible, and with approaches that are not based on the global

carbon market. It also called for a tribunal for climate justice to be set up and added that those responsible for climate change, as identified in 1992, did nothing and now they are pushing everyone to do something. ‘Don’t make us responsible for your mistakes,’ said Bolivia.

The European Union (EU) though said it is difficult to make a difference to global emissions if the binary division of responsibilities based on a list of countries defined in 1992 were to be applied. The way forward, according to the EU, ‘involves building on the commitments that Parties make that will be nationally determined, and so self-differentiated’, and to ‘secure a continuous review of ambition building on previous commitments’.

Norway added, ‘This is not the way the Convention has worked so far but in future we need to include everyone if we are to reach our targets.’

New Zealand said too much attention is being given to differentiation and that Parties will not agree on any highly prescriptive definition of differentiation. **Australia** said ‘major economies’ would need to make credible emission reduction commitments and that the Paris agreement must establish a common playing field for action by all.

Japan seconded Australia and said ‘major economies’ are expected to provide ‘quantified, economy wide emission reduction targets’. **Canada** said the new agreement must reflect current realities. **The US** was also unwilling to base differentiation on ‘a permanent division of countries in the two categories established in 1992’. It is ‘a division we think (that) makes no sense’, it said.

Highlights of key interventions below:

China said that the Convention must be followed with utmost sincerity. The DP mandate is very clear not to come up with a new mechanism, nor to rewrite the Convention, it said. The principles of equity and CBDRRC constitute the political basis to advance the DP. The details of the agreement must be mapped out in a balanced way. The 2015 agreement must include the six elements: mitigation, adaptation, finance, technology transfer, capacity building and transparency and should provide details for common but differentiated actions to be taken by countries at different levels of development. Relevant information needs to be clarified in a practical manner. Differences regarding the scope of the ‘intended nationally determined contributions’ (INDCs) should be settled properly, said China. The scope of INDCs should be aligned with national commitments under the Convention, it added. Increasing the level of commitment prior to 2020

will inspire confidence for post-2020 actions, said China.

India reminded countries of the context of the DP negotiations and said, ‘The decision on the DP mandated that the new agreement shall be under the Convention. Therefore, the new agreement has to be under the full accordance with all, and I repeat, all principles and provisions of the Convention. It cannot be in contravention with and cannot undermine the Convention.’

On intended nationally determined contributions (INDCs), India said: ‘The INDCs are not distinct from the 2015 agreement, but inextricably linked with it. Therefore the two cannot be seen in isolation from each other. As the title itself indicates, INDCs are to be determined nationally, by Parties themselves, taking into account their own national circumstances, challenges and capacity. Fulfilment of commitments and promises to provide financial and technical support for developing countries is crucial and will enable them to scale up their efforts and help in realising the goal.’

India said it supports transparency and disclosure in relation to the INDCs, but ruled out the role for any external review or assessment in the process. ‘However, it is important to ensure that there is no slackening of the mitigation ambition of the developed countries in the pre- and post-2020 periods. People expect these countries to walk the talk.’

India added that addressing climate change under the DP requires a holistic response with actions across the board spectrum including mitigation, adaptation, technology, capacity building, transparency and finance. ‘We therefore completely share the views of developing countries that INDCs must not be limited to mitigation alone.’

On new concepts such as evolving CBDR, India said, ‘My negotiators have told me about the new phrase of “evolving CBDR”. This seems to have surfaced in their negotiations from certain quarters. There are other ideas floating as well. We also have our own ideas, but this is neither the right time nor the process to discuss these issues. The need at this stage is to ensure that we have an ambitious, comprehensive, equitable and balanced agreement in 2015 that takes into account the huge development needs, including access to financial resources and low carbon technology options for developing countries. Moreover, we are here to enhance the implementation of the Convention, certainly not here to rewrite it.’

Bolivia said, ‘Developed countries have been imposing on us that times have changed and it has

been more than 20 years since the UNFCCC was signed. If developed countries had complied with their commitment to reduce emissions, and would have established the necessary actions to provide finance and technology transfer, we would not be listening to the apocalyptic prediction of the IPCC (Intergovernmental Panel on Climate Change) with respect to global warming beyond 4°C. What's true is those who are responsible for climate change as identified in 1992 did nothing, and now they are pushing everyone to do something. That is why it is essential to set up a tribunal for climate justice.'

It added that all that the developed countries are doing is deepening the capitalist paradigm and they are emphasising mitigation, choosing to ignore that climate change for developing countries has to do with adaptation action as well as compensation for loss and damage due to the permanent impacts of climate change we are experiencing. Bolivia warned against the expansion of the capitalist regime, which it said would only deepen the climate crisis. 'What we need is to strengthen the paradigm of the Convention based on equity and CBDR, with the expansion and strengthening of obligations of countries historically responsible, and with approaches that are not based on the global carbon market.'

Responding to developed countries' proposed approach of reducing carbon emissions without differentiation, Bolivia said it would like to distribute the emissions budget among countries. Bolivia proposes the distribution of the remaining 630 gigatonnes on the basis of the following criteria: index of historical responsibilities, ecological damage, technological capability, financial capability, including the state of development, including poverty, income and human development. It reiterated that it would not support any carbon market approach and said that while many countries promote services or payment for results using forest as carbon sinks, Bolivia proposes a holistic management of forest approach.

It also added that while developed countries propose sophisticated technology for climate change mitigation, to achieve energy efficiency, Bolivia proposes the use of environmentally friendly technologies for adaptation to climate change, including technology from our indigenous peoples as well as local communities. 'The agreement should think of life, not markets. Don't make us responsible for your mistakes,' said Bolivia.

Argentina said the negotiations process must respect CBDR as well as equity. 'It is not enough to include this in the preamble, but we have to

contemplate effective differentiation on the basis of historical responsibility of those who have produced global warming. Poverty is persistent in developing countries where 80% of the global population lives. Our main challenge is coordination between adaptation and our objective to combat poverty in all its forms. Any new instrument must acknowledge the same nature for mitigation and adaptation, and all the elements must be in there. Developed countries must provide finance and technology to developing countries, so that the latter can use low carbon technologies.'

South Africa said that the IPCC report indicates links between mitigation ambition and the extent of ambition required. 'The less mitigation achieved, the more the adaptation that will be required.'

Adaptation is a global challenge and a global responsibility. The Paris agreement must enable meaningful participation of all countries, given that countries are at different stages of development and have different capabilities and circumstances with different development needs. The Paris agreement must be inclusive, ambitious and fair in accordance with the principles and provisions of the Convention, including CBDRRC. The agreement must strengthen the multilateral rules-based system in a manner that reflects firstly the interdependence between the levels of mitigation ambition achieved, and the requirement to adapt to climate impacts. It must ensure that the collective level of mitigation and adaptation contributions can be clearly understood to enable identification of any gaps between commitments and what the science indicates is needed. This is so the international community can collectively address these gaps and collectively increase their contributions. The agreement must also enable regular periodic review of progress towards achievement of contributions. The accounting rules and transparency systems need to be strengthened, to ensure environmental integrity. Given differences in vulnerabilities, capabilities and national circumstances, effectively enable and support country implementation through effective adequate and predictable finance, technology and capacity building, it said.

Speaking for the **Alliance of Small Island States (AOSIS)**, **Seychelles** said that climate change must be looked at in the context of achieving sustainable development. 'Adaptation is critical for Small Island Developing States (SIDS) and other vulnerable countries. The Convention recognises the developing countries, particularly those most vulnerable, will need help adapting to climate change

and we see the most vulnerable as African States, LDCs (Least Developed Countries) and SIDS. If the preferred element of one group of countries is preferred over other elements then the new agreement will not be credible and many countries will have less incentive to join.’ Referring to the Green Climate Fund (GCF) pledges as not enough, it said the public sources of financing from developed countries are a must for adaptation, which is rarely attractive for private investors looking for a healthy return.

Speaking for its member states, **the European Union (EU)** said Parties must ensure that the 2015 agreement is capable of responding to the latest science and keep the world collectively on track to achieve the below 2°C objective. ‘The European Union is fully committed to the Convention and principles. But those principles need to be applied dynamically in a way that mirrors evolving reality. If we do not, we risk disconnecting the UNFCCC talks from reality. To be clear, it is difficult to see us making a difference to global emissions if we were to apply an operational binary divide of responsibilities based on a list of countries defined in 1992. At the same time, proposals that would somehow suggest that developed countries could walk away from their leadership role are equally unhelpful,’ it said. The way forward, according to the EU, ‘involves building on the commitments that Parties make that will be nationally determined, and so self-differentiated’, and to ‘secure a continuous review of ambition building on previous commitments’.

Norway said while developed countries will take the lead, there must be clear space for all countries to take on commitments. ‘I know this is not the way the Convention has worked so far but in future we need to include everyone if we are to reach our targets,’ it said. There needs to be support for finance, technology transfer and capacity building to developing countries, in particular to LDCs.

Switzerland agreed with Norway and said that all Parties will have to be engaged in the new agreement, reflecting ‘evolving responsibilities and capabilities’.

New Zealand added that excessive attention to differentiation lies at the heart of the problem. ‘It is already clear there will be differentiation. It is clear that there will be no agreement on some highly prescriptive definition of this. If we look at what the EU, China and US have indicated what is their direction of travel, and while this is not yet an INDC, it contains very clear differentiation on the policy measures that are open politically to these authorities on the speed of changing to a more climate resilient

economy and on different policy approaches. Too much attention is being given to something that will emerge quite naturally as the INDCs take shape and every country, through its national circumstances, differentiates its policy response,’ it said.

Australia said all countries, in particular major economies, will need to make credible emission reduction commitments and that the Paris agreement must establish a common playing field for action by all. ‘The binary divide between developed and developing countries as reflected in the Convention’s annexes does not reflect the current economic reality. We must move past an approach that puts a brake on meaningful action to one based on global cooperation in line with countries’ evolving national circumstances and capacities,’ it said and added that the Paris agreement should advance support for ‘international climate action by being alive to an investment landscape with a great majority of financial flows from private sources and where cooperation among developing economies can be as relevant and beneficial as traditional donor relationships’.

Canada added that the 2015 agreement must offer flexibility for countries to take actions best suited to their own circumstances. ‘The new agreement must reflect current realities,’ it said.

Japan said the 2015 agreement must be able to reflect the current and future evolutions of the international community. Rather than taking a bifurcated approach of developed and developing countries the agreement must be applicable to all, while allowing flexibility in line with national circumstances. Major economies are expected to provide quantified, economy-wide emission reduction targets, it said.

On differentiation, **the US** said that some were acting as if ‘this basic principle of the Convention is threatened with extinction, but this is in fact completely untrue’. Many countries, including the US, are unwilling to base differentiation on a permanent division of countries in the two categories established in 1992, ‘a division we think that makes no sense in world with rapidly changing material and conditions’ it said and appealed: ‘Please listen to us what we are saying because there is nothing to be worried about. I see a three-part approach. First, is the “nationally determined contribution NDC structure” in which every country makes a nationally determined choice about what to do; by definition no one’s imperatives for development, growth or poverty eradication are threatened in any way. Everyone is free to make their own choice. Second, we support including the principle that everyone has to move forward in their ambition to allay any

concerns that developed countries might backslide. Third, we support including the principle of CBDRRC in an appropriate way. I would point out that the US and China managed to find language in the context of our recent joint announcement last month. So language can be found. Differentiation would also apply to other parts of the agreement whether transparency or other issues. Remember the

decision we are talking about right now isn't even the document we will be working on next year. That document is the "elements" text and includes everyone's options for differentiation. We have been working intensively on finance and adaptation and they will obviously be important components of the Paris agreement and we and other donors will continue to provide finance post-2020,' it said.

TWN

Lima News Update

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Published by
Third World Network

5 January 2015

Divisions on Safeguards Remain on REDD-plus; No Outcome in Lima

Kuala Lumpur, 5 January (Kate Dooley) – After a week of negotiations on further guidance for safeguard information systems (SIS), and methodological approaches for non-market-based approaches to REDD-plus (Reducing emissions from deforestation and forest degradation in developing countries-plus) at the meeting of the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA) in Lima, Parties were unable to reach consensus on either issue.

This means that discussions will continue at the next meeting of SBSTA in June 2015, with no outcomes recorded from this session.

Parties were unable to agree on the need for further guidance on transparency, consistency, comprehensiveness and effectiveness when informing on how all the safeguards in Decision 1/CP.16 Appendix 1 (from Cancun) are being addressed and respected, or to agree to consider the development of methodological guidance on non-market-based approaches.

The G77 and China presented a united front that they considered the discussion on the need for further guidance should be concluded at the Lima session, with learning and information exchange to continue between countries informally. Several countries, including **the United States and Norway**, wanted discussions under the SBSTA to continue at some point in the future.

Developing countries, including Brazil, showed support to discuss **Bolivia's** proposal on methodological guidance for non-market-based approaches, but there was no overall consensus on how to move forward on this.

Under the guidance of Co-chairs **Robert Bamfo (Ghana)**, and **Stephen Cornelius (United Kingdom)**, Parties continued discussions on agenda item 6 under the SBSTA in an informal session on Thursday, 4 December, and then in a closed informal on Friday, 5 December, which was opened to observers for the last 15 minutes. There were also several closed drafting sessions.

In the informal consultations on Thursday, 4 December, Parties continued discussing a draft

conclusion text, which had been presented by the Co-chairs in the previous session (See TWN Lima Update 9). The Co-chairs stressed that this session would focus only on considering the need for further guidance, with more focused discussion on the text in a closed drafting group to take place that afternoon.

Panama, speaking on behalf of **the G77 and China**, made a key intervention that the Group was not willing to agree to continue considering the need for further guidance under the SBSTA. It suggested the deletion of paragraph 8 of the draft conclusions (which committed Parties to consider the need for further guidance at a future session after developing country Parties have gained adequate experience in developing their safeguards information systems and their summaries of information), and the last three words of paragraph 7 (which read '*It agreed that no further guidance is needed on the matter at this time*'), so that this paragraph would refer to the SBSTA having completed its consideration of this issue.

Switzerland on behalf of **the Environmental Integrity Group (EIG)**, supported by **the European Union (EU)** said there is a need for further guidance, but recognised that there is a divergence of opinions in the room on when further guidance would be most useful. Switzerland said it would agree to amend the paragraph on guidance needed at a future point to be more specific on when this future point is, and suggested a Technical Expert Meeting (TEM) in 2016 followed by future work in SBSTA in Bonn 2017, to take the work forward. **Japan** supported this proposal, and also said it saw a clear need for further guidance.

Panama then said it would be happy to go forward with text including its suggested amendments, but that it could not agree to the proposal from EIG. It suggested instead a meeting of national focal points in January 2015.

The Philippines agreed that further information on the type of information regarding safeguards would be useful for both developed and developing countries. However, in order to make progress, the Philippines said it would agree to go

forward with this text, which leaves unspecified when further guidance would be developed.

Following the proposal from the EIG, **Panama** called for a short break for the G77 and China to convene. After this break, Panama announced that the Group's position remained unchanged, and it would agree to go forward with the text if paragraph 8 and the last three words of paragraph 7 were deleted.

Ecuador, Ghana, Colombia, Tanzania, Guyana, Brazil and others spoke up to support this position. **Thailand** also supported the G77 position and responded to the proposal from EIG, saying that rather than spend money and time in a TEM on this matter, it would rather see an exchange of information on a web platform such as the REDD-plus platform already established. Thailand said transparency would be achieved through information provided in national communications, and that learning by implementation and consulting each other would be the way forward.

Mexico also supported the G77 position, and said it could share information on safeguards as suggested by Thailand.

New Zealand (NZ) supported Japan and the EIG, saying that it would prefer to be working on a decision on guidance; however, given the views of the G77, it would be willing to support a process as suggested by Switzerland on behalf of the EIG. **NZ** added that to mobilise resources, we need to build confidence that REDD-plus is transparent and activities are working.

Norway recognised that there were different views in the room around when this guidance should take place. It said that although it was Norway's objective to arrive at guidance in Lima, it could see there was no movement to agree on this in a decision text. Hence, Norway said it also supported the EIG proposal for an expert meeting in 2016 to consider the need for further guidance, suggesting that this may be the outcome that best reflects the views in this room.

Co-chair Bamfo reminded Parties that they were almost out of time. He asked Parties to save their interventions for the drafting session taking place that afternoon.

The US appreciated Panama's suggestion for a national focal points meeting, but as the voluntary meeting is not linked to the UNFCCC, the US suggested SBSTA is the correct place for this discussion. The US said it would like to put a timeframe on reports so they can inform further discussions in REDD-plus.

Co-chair Cornelius intervened to say it was necessary to leave some time to discuss the other part of the agenda item, on methodological guidance on non-market-based approaches.

Bolivia said that after additional discussions with Parties, it felt there is support from developing countries for additional discussions on this issue. It requested space and room for Parties to reflect on the conference room paper (CRP) Bolivia had submitted, in order to try and have an agreement in Lima.

Brazil supported Bolivia's proposal, reminding Parties that there are two issues under this agenda item to be discussed during this session, and it was important to allow time for a discussion of the Bolivian proposal. **Ecuador** agreed with Brazil and said it could consider Bolivia's document as the basis for discussion.

The US, supported by **Norway**, said it was happy to discuss the agenda items as per the mandate, but as it had stated earlier, it did not see the CRP as a basis for discussions.

Co-chair Cornelius suggested that a small group of Parties with the most divergent views on this issue get together to work towards an outcome for this session. He reminded Parties that the default option to not reaching a conclusion would be for the agenda item to continue to the next SBSTA. Cornelius announced the provision of a room for one hour to discuss Bolivia's proposal, followed by closed drafting groups in the afternoon for both agenda items, and closed the meeting.

Parties continued discussions in closed sessions, including an informal consultation on Friday, 5 December. This meeting was opened to observers for the last 15 minutes, at which point Parties had still not found consensus on several issues. The meeting was closed without agreement being reached, and with no conclusions to forward to the Chair, the agenda item will continue at SBSTA 42 in June 2015.

APPENDIX

This Appendix reproduces the different versions of the Co-chairs' draft text of the ADP decision in Lima as well as the final text adopted by COP 20 that was presented by the COP President.

DRAFT TEXT
on
ADP 2-7 agenda item 3
Implementation of all the elements of decision 1/CP.17
11 November 2014

Advancing the Durban Platform for Enhanced Action
Draft by the Co-Chairs

The Conference of the Parties,

Recalling the objective of the Convention as set out in its Article 2,

Recalling decisions 1/CP.17, 2/CP.18 and 1/CP.19,

Reiterating that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall be guided by the principles of the Convention,

Encouraging each Party to communicate the most ambitious contribution possible in response to decision 1/CP.19, paragraph 2(b),

Acknowledging that contributions will be undertaken in accordance with the principles of the Convention, including equity and common but differentiated responsibilities and respective capabilities,

Guided by the need to urgently address the significant gap between the likely aggregate global emissions of greenhouse gases by 2020 resulting from existing mitigation commitments and actions of Parties and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature to below 2°C or 1.5°C above pre-industrial levels,

Recognizing that the technical expert meetings held during 2014 have been instrumental in identifying good practice policy options,

Acknowledging that subnational authorities, intergovernmental organizations, civil society, indigenous peoples, local communities, the private sector and cooperative initiatives are catalysing significant action and enhancing the impact of policy implementation by Parties on reducing emissions and vulnerability and building resilience to the adverse effects of climate change,

1. *Welcomes* the elaboration and consideration of elements for a draft negotiating text undertaken by the Ad Hoc Working Group on the Durban Platform for Enhanced Action in response to decision 2/CP.18, paragraph 9, and decision 1/CP.19, paragraph 2(a);
2. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall conclude its work as early as possible by making a recommendation for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties and any accompanying draft decisions for adoption by the Conference of the Parties at its twenty-first session (November-December 2015);
3. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to further intensify the process of negotiation towards the achievement of the recommendation referred to in paragraph 2 above;
4. *Affirms* that the recommendation referred to in paragraph 2 above shall address all the elements referred to in decision 1/CP.17, paragraph 5, including, inter alia, mitigation, adaptation, finance, technology development and transfer, capacity-building and transparency of action and support;
5. *Affirms* its determination to achieve political parity between mitigation and adaptation in the protocol, another legal instrument or agreed outcome with legal force referred to in paragraph 2 above;

6. *Affirms* that transparent demonstration of the full and effective implementation of existing actions and commitments is essential for providing a solid foundation for enhanced action and for building trust and confidence;
7. *Welcomes* both the progress made by Parties in domestic preparations for their intended nationally determined contributions in response to decision 1/CP.19, paragraph 2(b), and the support being provided to developing countries for the preparation of their intended nationally determined contributions in response to decision 1/CP.19, paragraph 2(d);
8. *Notes* that the scope of contributions is to be nationally determined in the context of Article 2 of the Convention;
9. *Stresses* that all Parties should include a mitigation component in their intended nationally determined contributions;
10. *Agrees* that achievement of the aggregate level of ambition indicated as necessary by the scientific findings assessed in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change through nationally determined contributions requires:
 - (a) Implementation of contributions by each Party beyond any commitment or action currently undertaken by it under the Convention or its Kyoto Protocol;
 - (b) Mobilization of increasing levels of financial, technological and capacity-building support for developing country Parties, in particular those most vulnerable to the adverse effects of climate change;
11. *Recognizes* that the intended nationally determined contributions from developing countries that are particularly vulnerable to the adverse effects of climate change, especially the least developed countries and small island developing States, will reflect their efforts in the context of their specific needs and special situations;
12. *Notes* that intended nationally determined contributions associated with the different elements referred to in paragraph 5 of decision 1/CP.17 have unique characteristics and time frames;
13. *Invites* Parties, pursuant to decision 1/CP.19, paragraph 2(b), to communicate to the secretariat their intended nationally determined contributions by providing information on the type of contribution, time frames and periods, scope and coverage, expected outcomes and, if relevant, any references, methodologies and accounting approaches used, taking into consideration, as appropriate, the complementary information identified in the annex, in accordance with their national circumstances;
14. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature of the contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force referred to in paragraph 2 above;
15. *Also notes* that having to provide information when putting forward intended nationally determined contributions will facilitate domestic preparations, as well as the clarity, transparency and understanding of those contributions, without prejudice to the legal nature of the contributions of Parties and to the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties, to be adopted by the twenty-first session of the Conference of the Parties;
16. *Further notes* that the information communicated by Parties on their intended nationally determined contributions should enhance the understanding of whether the aggregate effect of the efforts of all Parties brings global emissions on a pathway consistent with achieving the objective of the Convention, set out in its Article 2, and in light of the goal of holding the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels, consistent with the scientific findings assessed in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change;
17. *Decides*, in order to enhance understanding among Parties of the intended nationally determined contributions, to provide opportunities for seeking and providing clarification to Parties and admitted observer organizations via electronic means, noting that future arrangements will be determined by the provisions of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties, to be adopted by the Conference of the Parties at its twenty-first session, and any decisions that will give effect to these provisions;
18. *Encourages* each Party to provide, through the electronic means referred to in paragraph 17 above, written responses through the secretariat to questions for clarification within one month of the questions being made available;
19. *Requests* the secretariat to:
 - (a) Publish the intended nationally determined contributions as communicated by Parties and a compilation of the information provided by Parties referred to in paragraph 13 above on the UNFCCC website;
 - (b) Create the electronic means referred to in paragraph 17 above and publish the questions and responses referred to in paragraph 18 above on the UNFCCC website;

20. *Also requests* the secretariat to organize workshops in conjunction with the session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action to be held in June 2015 and its subsequent session with the objectives of:

- (a) Enhancing the clarity, transparency and understanding of the aggregate effect of communicated intended nationally determined contributions;
- (b) Facilitating efforts by Parties that have not communicated their intended nationally determined contributions up to that point;

21. *Urges* developed country Parties and other Parties in a position to do so, the operating entities of the Financial Mechanism of the Convention and any other organizations in a position to do so to continue to provide support to developing country Parties for the preparation and implementation of their intended nationally determined contributions;

22. *Requests* developed country Parties and other Parties in a position to do so, the operating entities of the Financial Mechanism of the Convention and any other organizations in a position to do so to submit to the secretariat no later than 31 January 2015, information on the support provided to developing country Parties for the preparation of their intended nationally determined contributions, and on lessons learned from this collaboration, and requests the secretariat to make this information available on the UNFCCC website;

23. *Urges* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol as a matter of urgency, noting the need, in accordance with Article 20, paragraph 4, of the Protocol, for a minimum of 144 instruments of acceptance to be deposited by Parties to the Kyoto Protocol for the Amendment to enter into force;

24. *Reiterates* its resolve set out in paragraph 3 of decision 1/CP.19, in particular in relation to the provision of technology, finance and capacity-building support for developing country Parties, recognizing that such implementation will enhance ambition in the pre-2020 period, and to this end:

- (a) *Calls* on developed country Parties, other Parties included in Annex II to the Convention and other Parties in a position to do so to provide additional resources to the Green Climate Fund, the Global Environment Facility, the Technology Mechanism and the Adaptation Fund so as to enhance the efforts of these institutions, in accordance with their respective functions and mandates, to support developing country Parties in implementing their pre-2020 actions, in particular on adaptation;
- (b) *Urges* all developed country Parties to ensure that the initial resource mobilization of the Green Climate Fund reaches a significant scale that reflects the needs of and challenges faced by developing countries in addressing climate change;
- (c) *Reiterates* its request to developed country Parties to prepare biennial submissions on their updated strategies and approaches for scaling up climate finance from 2014 to 2020, in line with decision 3/CP.19, paragraph 10;

25. *Also reiterates* its resolve set out in paragraph 4 of decision 1/CP.19 to enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties:

- (a) *Urges* each developed country Party, as well as other Parties included in Annex I to the Convention, that has not yet communicated a quantified economy-wide emission reduction target to do so;
- (b) *Also urges* each developed country Party, as well as other Parties included in Annex I to the Convention, to revisit its quantified economy-wide emission reduction target under the Convention and, if it is also a Party to the Kyoto Protocol, its quantified emission limitation or reduction commitment for the second commitment period of the Kyoto Protocol, if applicable, in accordance with decision 1/CMP.8, paragraphs 7–11, with the aim of increasing such targets;
- (c) *Further urges* each developing country Party that has not yet communicated a nationally appropriate mitigation action to do so, recognizing that nationally appropriate mitigation actions will be taken in the context of sustainable development, supported and enabled by technology, finance and capacity-building;
- (d) *Urges* each developing country Party that has communicated nationally appropriate mitigation actions to implement them and, where appropriate, consider further action, recognizing that nationally appropriate mitigation actions will be taken in the context of sustainable development, supported and enabled by technology, finance and capacity-building;

26. *Decides* to convene a Forum on Accelerated Implementation of pre-2020 Climate Action in conjunction with the forty-second sessions of the subsidiary bodies (June 2015), with a view to:

- (a) Consolidating and enhancing the collective understanding among Parties of the status of implementation of existing actions and commitments;

- (b) Considering the action taken in response to decision 1/CP.17 paragraphs 3 and 4, and to paragraphs 23-25 above;
- (c) Understanding the importance of pre-2020 action for implementation in the post-2020 period;
- (d) Providing input for the high-level engagement referred to in paragraph 40 below;

27. *Invites* representatives of: the operating entities of the Financial Mechanism; the Adaptation Committee; the Adaptation Fund Board; the Climate Technology Centre and Network; the Standing Committee on Finance; the Technology Executive Committee; the Chairs of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation; and the Executive Secretary of the secretariat to participate in the Forum referred to in paragraph 26 above in order to provide information on their activities related to the acceleration of the implementation of enhanced pre-2020 climate action;

28. *Invites* all Parties to participate in the Forum referred to in paragraph 26 above for the purpose of:

- (a) Elaborating on their experience with the implementation of existing actions and commitments, in particular quantified economy-wide emission reduction targets and nationally appropriate mitigation actions;
- (b) Indicating their response and actions in respect of decision 1/CP.17 paragraphs 3 and 4, and paragraphs 23-25 above;
- (c) Developing their understanding of the importance of pre-2020 action for implementation in the post-2020 period;

29. *Decides* that the workplan on enhancing mitigation ambition referred to in decision 1/CP.17, paragraph 7, aimed at ensuring the highest possible mitigation efforts by all Parties will continue until 2020 with the goal of bringing global emissions on a pathway consistent with achieving the objective of the Convention, set out in its Article 2, and for holding the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels, consistent with the scientific findings assessed in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change;

30. *Also decides* to further strengthen and accelerate activities under the workplan on enhancing mitigation ambition by continuing to:

- (a) Undertake a technical examination of opportunities for actions with high mitigation potential in relevant thematic areas, including those with adaptation and sustainable development co-benefits;
- (b) Identify for each thematic area a range of policy options, including practices and technologies, that are substantial, scalable and replicable;
- (c) Identify the barriers to implementation in both developed and developing countries and strategies to overcome them, including through finance, technology and capacity-building support for mitigation action in developing country Parties;
- (d) Identify opportunities for voluntary multilateral cooperation on concrete actions related to identified mitigation opportunities.

31. *Requests* the secretariat to organize technical expert meetings in 2015 and, in cooperation with bodies under the Convention and relevant international organizations, regional and subregional follow-up meetings in a manner that:

- (a) Supports Parties in the identification of policy options and planning for their implementation;
- (b) Builds on and utilizes the related activities of and further enhances collaboration and synergies among the Technology Executive Committee, the Climate Technology Centre and Network, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;
- (c) Provides meaningful and regular opportunities through these meetings for the effective engagement among experts from Parties, relevant international organizations, civil society, the private sector, subnational authorities including cities, cooperative initiatives and bodies established under the Convention;
- (d) Assesses mitigation benefits, co-benefits, including adaptation and sustainable development co-benefits, costs of and other barriers to the implementation of policy options;
- (e) Focuses on removing barriers to and supporting the accelerated implementation of enhanced action in both developed and developing countries, including through finance, technology and capacity-building support for action in developing country Parties;
- (f) Facilitates enhanced engagement by all participants through the timely publication of topics to be addressed, agendas and related materials;

32. *Also requests* the secretariat to:

- (a) Update the technical paper on mitigation benefits of actions, initiatives and options to enhance mitigation ambition prior to the forty-second (June 2015) and forty-third sessions (November-December 2015) of the subsidiary bodies, drawing on information provided in submissions from Parties and observer organizations and the discussions held in the technical expert meetings referred to in paragraph 31 above;
- (b) Disseminate the information contained in the technical paper referred to in paragraph 32(a) above, including through a publicly accessible web-based tool;
- (c) Further enhance the visibility of actions being undertaken or planned by public and private entities including those referred to in paragraph 37 below;
- (d) Prepare a summary for policymakers of the elements referred to in this paragraph in advance of the twenty-first session of Conference of the Parties;

33. *Encourages* Parties to enhance action through the cooperative implementation of the identified policy options¹ selected by them as most appropriate for their national circumstances;

34. *Invites* the Green Climate Fund, the Global Environment Facility, the Technology Executive Committee and the Climate Technology Centre and Network to:

- (a) Enhance their efforts to support Parties, in accordance with their respective functions and mandates, in scaling up mitigation and adaptation action through the implementation of the selected policy options referred to in paragraph 33 above;
- (b) Engage effectively in the technical expert meetings referred to in paragraph 31 above in order to enhance the effective coordination and provision of support;

35. *Invites* submissions from Parties and admitted observer organizations on an ongoing basis that identify opportunities and policy options to reduce or limit emissions in developed and developing countries;

36. *Encourages* Parties and expert organizations hosting non-UNFCCC events relevant to the workplan on enhancing mitigation ambition, including regional events, to make available and disseminate information on their outcomes so as to further the technical examination of mitigation opportunities;

37. *Agrees* that effective implementation of enhanced action requires the engagement and contribution of the broadest range of actors and therefore invites:

- (a) Parties to further incentivize, in accordance with their national circumstances, climate actions by subnational authorities, including cities, by establishing effective regulatory frameworks and financing mechanisms needed to address barriers and leverage investment;
- (b) Subnational authorities, including cities, to scale up and replicate the existing ambitious policies, measures and action highlighted during the technical examination process;
- (c) International organizations, civil society, private sector entities and cooperative initiatives to further scale up their efforts in assisting Parties to achieve an emission pathway consistent with limiting the global average temperature increase to below 2°C or 1.5°C above pre-industrial levels;

38. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to elaborate on how to accelerate enhanced action in the period 2016-2020, with a view to making recommendations to the Conference of the Parties for consideration and adoption at its twenty-first session;

39. *Welcomes* the significant impact of the climate summit, convened by the United Nations Secretary-General on 23 September 2014, in:

- (a) Mobilizing the political will for a meaningful and universal climate agreement in Paris in 2015;
- (b) Catalysing climate action on the ground to reduce emissions and build resilience to the adverse impacts of climate change;

40. *Calls* upon Parties to intensify their high-level engagement on the Durban Platform for Enhanced Action;

41. *Agrees* that such high-level engagement should be informed by an understanding of the status of implementation of existing commitments and actions arising from the Forum referred to in paragraph 26 above and the summary for policymakers referred to in paragraph 32(d) above, as well as information on the intended nationally determined contributions referred to in paragraphs 13 and 17-20 above;

¹ FCCC/TP/2014/3 and Add 1, FCCC/TP/2014/13 and Add 1, 2, 3 and 4

42. *Also agrees* that future high-level engagement on enhanced action within the UNFCCC process should provide for contributions from and dialogue with senior representatives of subnational authorities and other non-State actors;
43. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat pursuant to this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

Annex

Complementary information on intended nationally determined contributions of Parties

Option 1:

Mitigation

- Type of mitigation contribution;
- Time frame or time period;
- Base year;
- Coverage in terms of: geographical boundaries; sectors; greenhouse gases; percentage of total/national emissions covered;
- Baseline emissions and related assumptions and methodologies, including methods for the projection of carbon intensity of gross domestic product;
- A quantification of expected emission reductions, including, as applicable, estimates with and without land use, land-use change and forestry;
- Annual estimated reduction in emission intensity of the economy;
- Methodologies, emission factors and metrics used, including global warming potentials in accordance with the relevant decisions of the Conference of the Parties;
- Long-term trajectory;
- Expected use of international market mechanisms, including how double counting is avoided;
- Approach to accounting for the land-use sector;
- Estimated macroeconomic and marginal costs of achieving the commitments or targets, with a description of the methods used to estimate them;
- An indication of additional mitigation action to be achieved through the provision of support;
- Existing and/or anticipated domestic measures, including those with legal force, that support the implementation of the mitigation contribution;
- Any other information to facilitate the clarity, transparency and understanding of the mitigation contribution.

Adaptation

- Type of adaptation contribution;
- Projected climate impacts and related assumptions;
- Analysis of vulnerable sectors;
- Technology, investment and capacity-building needs;
- Nationally determined adaptation options, adaptive capacity enhancement and their costs;
- Quantification of own investments; own adaptation efforts;
- Programmes and projects per sector, including those identified in the context of a national adaptation programme of action (NAPA) and a national adaptation plan (NAP);
- Definition of adaptation needs;

- International cooperation, including cooperative actions, international and regional investments to be contributed or required and their timeline;
- Support for international and regional initiatives;
- Types of support by Parties included in Annex II to the Convention (Annex II Parties), such as grants or bilateral funding;
- Delivery mechanism and channel for the support by Annex II Parties;
- Sectors and geographical areas covered by the various types of support by Annex II Parties;
- Indicative timeline for provision of support.
- Information on the formulation and implementation of NAPs, building on the initial guidelines contained in the annex to decision 5/CP.17, including the sectors or geographical areas, the policies included and whether it is a NAP (or segment(s) of a NAP), a local adaptation plan (or segment(s) of a local adaptation plan) or a NAPA (or segment(s) of a NAPA).

Finance, technology and capacity-building

- Finance, technology and capacity-building support contribution for adaptation, including for identified adaptation options;
- Finance, technology and capacity-building support contribution for mitigation;
- Quantified financial contributions for capacity-building;
- Scale of support contribution;
- Type of support contribution;
- Time frame or time period for support contributions;
- Channel and delivery mechanism for support contribution;
- Future contributions to various funds and other channels available, including estimates of private resources directly mobilized by public funds;
- Identification of finance, technology and capacity-building needs, including investment needs, related to intended nationally determined contributions;
- Annual expected levels of climate finance;
- Policies and measures to provide clarity on where countries are on the pathway to achieving the collective goal defined for the provision of support;
- A quantification of the national investment made on mitigation and adaptation;
- Efforts to mobilize and provide resources for domestic climate action and/or efforts to enhance the national enabling environment.

Other

- Indicators relating to fairness and ambition and their application;
- A description of how the contribution relates to the objective of the Convention, including how it responds to the need for ambition and for a fair distribution of effort;
- Additional specific information depending on the type of contribution;
- Any other information, as appropriate.

Option 2:

Mitigation

Developed country Parties and other Parties included in Annex I to the Convention

- Information relevant to enhanced action on their specific commitments to undertake mitigation under Article 4, paragraph 2(a) and (b), of the Convention, similar to that identified in decision 2/CP.17, paragraph 5, and its

annex I, paragraphs 2-12, using the relevant common tabular format for submitting such information, as provided in the annex to decision 19/CP.18:

- o Base year and time frame;
- o Global warming potential values;
- o Coverage of gases and coverage of sectors;
- o Greenhouse gas trends/projections and expected greenhouse gas emission reductions up to 2030;
- o The role of land use, land-use change and forestry;
- o Carbon credits from market-based mechanisms;
- o Associated assumptions and conditions related to the ambition of the pledges;
- o Legislations, policies and measures to be implemented related to the intended nationally determined contributions on mitigation;
- o Potential social and economic consequences of response measures.

Parties not included in Annex I to the Convention (developing country Parties)

- On a voluntary basis, information relevant to their enhanced action to implement the Convention, subject to the provision of support from, inter alia, developed country Parties, in accordance with decision 1/CP.19, paragraph 2(d), similar to that identified in decision 2/CP.17, paragraphs 34 and 46, and its annex III, paragraphs 3-13, such as:
 - o Underlying assumptions and methodologies;
 - o Sectors and gases covered;
 - o Global warming potentials used;
 - o Estimated mitigation outcomes.

Adaptation

Developed country Parties and other Parties included in Annex II to the Convention

- Information on financing to be provided to developing countries pursuant to Article 4, paragraph 4, of the Convention, similar to the information relevant to the implementation of decision 5/CP.17, paragraphs 21 and 32, decision 12/CP.18, paragraphs 3 and 5, and decision 18/CP.19, paragraphs 4 and 6.

Developing country Parties

- Information on the development and financing needs of NAPs, similar to that identified in decision 5/CP.17.

Finance

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and its annex I, paragraphs 13-20, using the relevant common tabular format for submitting such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.

Technology transfer

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and its annex I, paragraphs 13-15, 21 and 22, using the relevant common tabular format for submitting such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.

Capacity-building

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and its annex I, paragraphs 13–15 and 23, using the relevant common tabular format for such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14–16.

Option 3:

Mitigation

- Type of mitigation contribution;
- Time frame or time period;
- Base year;
- Coverage in terms of: geographical boundaries; sectors; greenhouse gases; percentage of total/national emissions covered;
- Baseline emissions and related assumptions and methodologies, including methods for the projection of carbon intensity of gross domestic product;
- A quantification of expected emission reductions, including, as applicable, estimates with and without land use, land-use change and forestry;
- Annual estimated reduction in emission intensity of the economy;
- Methodologies, emission factors and metrics used, including global warming potentials, in accordance with the relevant decisions of the Conference of the Parties;
- Long-term trajectory;
- Expected use of international market mechanisms, including how double counting will be avoided;
- Approach to accounting for the land-use sector;
- Estimated macroeconomic and marginal costs of achieving the commitments or targets, with a description of the methods used to estimate them;
- An indication of additional mitigation action to be achieved through the provision of support;
- Existing and/or anticipated domestic measures, including those with legal force, that support the implementation of the mitigation contribution;
- Any other information to facilitate the clarity, transparency and understanding of the mitigation contribution.

DRAFT TEXT
on
ADP 2-7 agenda item 3
Implementation of all the elements of decision 1/CP.17
Version 1 of 8 December 2014 at 06:30

Draft COP decision proposed by the Co-Chairs

The Conference of the Parties,

Recalling the objective of the Convention as set out in its Article 2,

Also recalling all decisions of the Conference of the Parties,

Guided by the Convention,

Guided by the need to urgently address the significant gap between the likely aggregate global emissions of greenhouse gases by 2020 resulting from existing mitigation pledges and actions of Parties and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature to below 2°C or 1.5°C above pre-industrial levels,

Recognizing that the aggregate level of ambition achieved under the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties to be adopted in 2015 must be guided by the latest scientific findings, including those assessed in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change and the outcomes of the 2013-2015 review,

Affirming its determination to strengthen and scale-up adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the Convention to be adopted in 2015 in the light of the critical importance of resilience to the sustainable development of all Parties, food security and the eradication of poverty,

Also affirming that fulfilling the ultimate objective of the Convention will require strengthening the multilateral, rules-based regime and the urgent and sustained implementation of existing commitments under the Convention and its Kyoto Protocol,

1. *Welcomes* the progress made on the implementation by the Ad Hoc Working Group on the Durban Platform for Enhanced Action of all elements of decision 1/CP.17;
2. *Also welcomes* the further elaboration of elements for a draft negotiating text by the Ad Hoc Working Group on the Durban Platform for Enhanced Action in response to decision 2/CP.18, paragraph 9, and decision 1/CP.19, paragraph 2(a);
3. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall prepare a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties on the basis of annex I;
4. *Also decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall prepare a negotiating text by May 2015, at which time it will be circulated by the secretariat without prejudice to whether the outcome will be a protocol, another legal instrument or agreed outcome under the Convention with legal force, noting the requirements of Article 17 of the Convention and the applied rules of procedure;
5. *Further decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall include provisions on, inter alia, mitigation, adaptation, including loss and damage, finance, technology development and transfer, capacity-building and transparency of action and support;
6. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the mandate referred to in decision 1/CP.17, paragraph 2, by producing a draft decision that contains the text of the protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties, for adoption by the Conference of the Parties at its twenty-first session (November-December 2015), as well as by elaborating any related decisions for adoption by the Conference of the Parties at its twenty-first session and identifying the need for additional decisions required to be adopted at subsequent sessions, as appropriate;
7. {Placeholder: Possible COP guidance to the SBI and SBSTA on matters related to the 2015 agreement}

8. *Welcomes* the progress made by Parties in domestic preparations for their intended nationally determined contributions in response to decision 1/CP.19, paragraph 2(b);
9. *Acknowledges* the support being provided to developing countries, and the need for support to be further enhanced, for the preparation of their intended nationally determined contributions in response to decision 1/CP.19, paragraph 2(d);
10. *Invites* Parties that are not ready to communicate their intended nationally determined contributions by the first quarter of 2015 to do so by 31 May 2015 or as soon as possible thereafter;
11. *Agrees* that:
 - (a) Each Party shall communicate a quantifiable mitigation component in its intended nationally determined contribution which represents the highest level of mitigation ambition, beyond its 2020 commitment and actions undertaken under the Convention and/or its Kyoto Protocol, towards achieving the objective of the Convention as set out in its Article 2, guided by the principles of equity and common but differentiated responsibilities and respective capabilities, in the light of evolving national circumstances;
 - (b) Parties with greatest responsibility and those with sufficient capability are expected to take on absolute economy-wide mitigation targets, and that all Parties should aspire to this over time, guided by the principles of the Convention;
12. *Further agrees* that all Parties should consider the inclusion of an adaptation component in their intended nationally determined contributions, including adaptation actions with mitigation co-benefits based on their national adaptation plans, and that the necessary level of ambition in enhancing climate resilience through intended nationally determined contributions may include:
 - (a) Mainstreaming of adaptation actions towards ensuring sustainable development pathways of countries' actions;
 - (b) Implementation of actions beyond those currently undertaken by Parties under the Convention or its Kyoto Protocol;
 - (c) Work with the international community to advance global efforts for those areas beyond Parties' capacities;
13. *Also agrees* that all Parties' intended nationally determined contributions should reflect efforts that they are able to make unilaterally, recognizing that developing countries may also indicate the enhanced efforts possible with provision of support and that those of the least developed countries and small island developing States will reflect their special circumstances;
14. *Also agrees* that:
 - (a) Developed country Parties, starting in 2019, should consider annual quantitative contributions on means of implementation to support ambitious mitigation and adaptation action, in particular for Parties particularly vulnerable to the adverse effects of climate change;
 - (b) Parties, the operating entities of the Financial Mechanism of the Convention and other relevant organizations should submit to the secretariat, as early as possible in 2015, information on any support provided and received for the preparation of intended nationally determined contributions, and on lessons learned from this collaboration, and requests the secretariat to make this information available on the UNFCCC website;
15. *Decides* that all Parties shall communicate to the secretariat their intended nationally determined contributions and, in order to facilitate clarity, transparency and understanding, provide information on the reference point (including as appropriate, a base year), time frames and periods for implementation, scope and coverage, expected level of effort, and how the Party considers that its intended nationally determined contribution is fair and equitable, ambitious and consistent with the objective of the Convention;
16. *Notes* that the information communicated by Parties should, in the light of the objective of the Convention, enhance the understanding of:
 - (a) The aggregate effect of Parties' intended nationally determined contributions;
 - (b) How the intended nationally determined contributions communicated by each Party constitutes a fair and equitable contribution by them;
17. *Invites* Parties, to the extent their national circumstances allow, to provide the information identified in annex II, as appropriate, when communicating their intended nationally determined contributions;
18. *Agrees*, in order to enhance understanding among Parties of the intended nationally determined contributions, to provide Parties with opportunities for seeking and providing clarification via electronic means;
19. *Encourages* Parties to submit questions, through the electronic means referred to in paragraph 18 above, within four weeks of the publication of the intended nationally determined contributions;

20. *Urges* each Party to provide written responses through the electronic means referred to in paragraph 18 above to questions within four weeks of the deadline for the receipt of questions, noting that developing countries may need flexibility with regard to this timeline, taking into account their national circumstances and respective capabilities;

21. *Requests* the secretariat to organize a dialogue between the session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action to take place in June 2015 and the twenty-first session of the Conference of the Parties with the objectives of facilitating:

- (a) The clarity, transparency and understanding of the communicated intended nationally determined contributions;
- (b) Efforts by Parties, in particular developing country Parties, that have not communicated their intended nationally determined contributions by that time, with a view to their doing so in advance of the twenty-first session of the Conference of the Parties;
- (c) Efforts of Parties to communicate an adaptation component in their intended nationally determined contributions;

22. *Also requests* the secretariat to:

- (a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;
- (b) Create a secure and transparent electronic platform on the UNFCCC website for the communication and publication of questions to Parties and their responses to facilitate the implementation of paragraphs 18 to 20 above;
- (c) Prepare a technical paper by March 2015 on the existing methodological provisions under the Convention and its Kyoto Protocol, in particular those related to land use, land-use change and forestry, including REDD-plus, and to the use of market mechanisms and the avoidance of double counting;
- (d) Organize a workshop to enhance understanding among Parties on the existing methodological provisions under the Convention and its Kyoto Protocol, in particular those related to land use, land-use change and forestry, including REDD-plus¹, and to the use of market mechanisms and the avoidance of double counting, in conjunction with the forty-second sessions of the subsidiary bodies (June 2015);
- (e) Prepare a technical paper in advance of the dialogue referred to in paragraph 21 above, on the aggregate effect of the intended nationally determined contributions communicated by Parties prior to 30 June 2015;

23. *Invites* admitted observer organizations to submit to the secretariat, for publication on the UNFCCC website, their analyses of intended nationally determined contributions communicated by Parties;

24. *Urges* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol as a matter of urgency;

25. *Decides* to convene a Forum on Accelerated Implementation of Enhanced pre-2020 Climate Action, to review progress made in the implementation of decision 1/CP.19, paragraphs 3 and 4, in conjunction with the forty-second sessions, the forty-fourth sessions (May 2016), and the forty-sixth sessions (May 2017) of the subsidiary bodies and invites all Parties to participate in the Forum in order to:

- (a) Enhance the collective understanding among Parties of the status of implementation of existing emission reduction pledges and nationally appropriate mitigation actions with a view to accelerating pre-2020 mitigation ambition and identifying opportunities to further expedite implementation;
- (b) Be informed by the status of implementation of current arrangements under the Convention;
- (c) Assess the need to mobilize financial resources, technological and capacity-building support to enable developing country Parties to implement their nationally appropriate mitigation actions;
- (d) Review the progress made in the technical examination of good practice policies, technologies, financial arrangements and options to enhance pre-2020 ambition;
- (e) Facilitate the coherence of the work of the Convention bodies relevant to the implementation of pre-2020 climate action;

26. *Also decides* that each meeting of the Forum referred to in paragraph 25 above will be facilitated by co-facilitators, one from a Party included in Annex I to the Convention and one from a Party not included in Annex I to the Convention, appointed by the President of the Conference of the Parties;

27. *Requests* the co-facilitators to invite representatives of all relevant Convention bodies to participate in the Forum referred to in paragraph 25 above in order to provide information on their activities related to the acceleration of pre-2020 climate action, pursuant to their respective mandates under the Convention and relevant decisions taken by the Conference of the Parties;

¹ Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

28. *Decides* to further strengthen and accelerate activities under the workplan on enhancing mitigation ambition with a view to closing the pre-2020 ambition gap by undertaking an in-depth technical examination process, in the period 2015-2020 which:

- (a) Facilitates information sharing on a diverse range of technologies, knowledge systems and practices regarding opportunities for scalable and replicable actions with high mitigation potential, including those with adaptation and health co-benefits contributing to sustainable development and poverty eradication;
- (b) Identifies, for each thematic area, an open list of policy options, practices, financing arrangements and technologies that are substantial, scalable and replicable;
- (c) Engages with a broad range of actors, including subnational authorities, intergovernmental organizations, civil society, indigenous peoples, local communities, the private sector and cooperative initiatives, including via ongoing regional events;
- (d) Identifies the barriers to the implementation of policy options, practices, financing arrangements and technologies and strategies to overcome them;
- (e) Identifies opportunities for voluntary multilateral cooperation on experiences and practices related to mitigation;

29. *Requests* the secretariat, as part of the technical examination process, to organize a series of in-session technical expert meetings in the period 2015–2017 on relevant thematic areas, in a manner that:

- (a) Facilitates Parties in the identification of policy options, practices and technologies for each thematic area and planning for their implementation in accordance with nationally defined development priorities;
- (b) Builds on and utilizes the related activities of and further enhances collaboration and synergies among the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism, the Warsaw Framework for REDD-plus and the operating entities of the Financial Mechanism;
- (c) Builds on earlier technical expert meetings to hone and focus on actionable policy options;
- (d) Provides meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, academic institutions, the private sector, and subnational authorities nominated by the respective country;
- (e) Supports the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;
- (f) Facilitates enhanced engagement by all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;

30. *Further* requests the secretariat, in cooperation with the relevant Convention bodies, to:

- (a) Update, following the technical expert meetings referred to in paragraph 29 above, the technical paper on mitigation benefits of actions, initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;
- (b) Develop a synthesis on each thematic area covering mitigation opportunities and options for cooperation and accelerated action;
- (c) Disseminate the information referred to in paragraph 30(a) and 30(b) above;
- (d) Further enhance the visibility of actions being undertaken or planned by the public and private entities referred to in paragraph 32 below;

31. *Encourages* Parties to enhance action through the cooperative implementation of the policy options and to further incentivize climate actions by subnational authorities, in accordance with their national circumstances;

32. *Invites* subnational authorities, including cities, international organizations, civil society, private-sector entities and cooperative initiatives to further scale up their efforts in assisting Parties to achieve an emission pathway consistent with limiting the global average temperature increase to below 2°C or 1.5°C above pre-industrial levels;

33. *Welcomes* the convening by the United Nations Secretary-General of the Climate Summit on 23 September 2014, leading to the mobilization of political momentum towards the adoption of a protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties to be adopted in 2015;

34. *Calls* upon Parties to intensify their high-level engagement on the Durban Platform for Enhanced Action with a view maintaining political momentum for accelerating pre-2020 climate actions;

35. *Invites* the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level forum on enhancing mitigation action to:

- (a) Encourage new ambitious announcements from Parties and senior representatives of subnational authorities and other non-State actors;
- (b) Facilitate the cataloguing and tracking of progress on announcements;
- (c) Identify specific proposals to scale up action;

36. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

Annex I: Elements for a negotiating text

[Placeholder for outcome of the Ad Hoc Working Group on the Durban Platform for Enhanced Action's further elaboration]

Annex II: Complementary information on intended nationally determined contributions of Parties

Option 1:

- Type of mitigation contribution;
- Time frame or time period;
- Base year;
- Coverage in terms of: geographical boundaries; sectors; greenhouse gases; percentage of total/national emissions and removals covered;
- Baseline emissions and related assumptions and methodologies, including methods for the projection of carbon intensity of gross domestic product;
- A quantification of expected emission reductions and carbon stocks, including, as applicable, estimates with and without land use, land-use change and forestry;
- Annual estimated reduction in emission intensity of the economy;
- Methodologies, emission factors and metrics used, including global warming potentials in accordance with the relevant decisions of the Conference of the Parties;
- Long-term trajectory;
- Expected use of international market mechanisms and REDD-plus, including how double counting is avoided;
- Approach to accounting for the land-use sector, including the consideration of REDD-plus, as appropriate;
- Estimated macroeconomic and marginal costs of achieving the commitments or targets, with a description of the methods used to estimate them;
- An indication of additional mitigation action to be achieved through the provision of support;
- Existing and/or anticipated domestic measures, including those with legal force, that support the implementation of the mitigation contribution;
- Any other information to facilitate the clarity, transparency and understanding of the mitigation contribution.

Adaptation

- Type of adaptation contribution;
- Projected climate impacts and related assumptions;
- Analysis of vulnerable sectors;
- Technology, investment and capacity-building needs;
- Nationally determined adaptation options, adaptive capacity enhancement and their costs;
- Quantification of own investments; own adaptation efforts;

- Programmes and projects per sector, including those identified in the context of a national adaptation programme of action (NAPA) and a national adaptation plan (NAP);
- Definition of adaptation needs;
- International cooperation, including cooperative actions, international and regional investments to be contributed or required and their timeline;
- Support for international and regional initiatives;
- Types of support by Parties included in Annex II to the Convention (Annex II Parties), such as grants or bilateral funding;
- Delivery mechanism and channel for the support by Annex II Parties;
- Sectors and geographical areas covered by the various types of support by Annex II Parties;
- Indicative timeline for provision of support;
- Information on the formulation and implementation of NAPs, building on the initial guidelines contained in the annex to decision 5/CP.17, including the sectors or geographical areas, the policies included and whether it is a NAP (or segment(s) of a NAP), a local adaptation plan (or segment(s) of a local adaptation plan) or a NAPA (or segment(s) of a NAPA).

Finance, technology and capacity-building

- Finance, technology and capacity-building support contribution for adaptation, including for identified adaptation options;
- Finance, technology and capacity-building support contribution for mitigation;
- Quantified financial contributions for capacity-building;
- Scale of support contribution;
- Type of support contribution;
- Time frame or time period for support contributions;
- Channel and delivery mechanism for support contribution;
- Future contributions to various funds and other channels available, including estimates of private resources directly mobilized by public funds;
- Identification of finance, technology and capacity-building needs, including investment needs, related to intended nationally determined contributions;
- Annual expected levels of climate finance;
- Policies and measures to provide clarity on where countries are on the pathway to achieving the collective goal defined for the provision of support;
- A quantification of the national investment made on mitigation and adaptation;
- Efforts to mobilize and provide resources for domestic climate action and/or efforts to enhance the national enabling environment.

Other

- Indicators relating to fairness and ambition and their application;
- A description of how the contribution relates to the objective of the Convention, including how it responds to the need for ambition and for a fair distribution of effort;
- Additional specific information depending on the type of contribution;
- Any other information, as appropriate.

Option 2: Mitigation

Developed country Parties and other Parties included in Annex I to the Convention

- Information relevant to enhanced action on their specific commitments to undertake mitigation under Article 4, paragraph 2(a) and (b), of the Convention, similar to that identified in decision 2/CP.17, paragraph 5, and annex

I, paragraphs 2-12, using the relevant common tabular format for submitting such information, as provided in the annex to decision 19/CP.18:

- Base year and time frame;
- Global warming potential values;
- Coverage of gases and coverage of sectors;
- Greenhouse gas trends/projections and expected greenhouse gas emission reductions up to 2030;
- The role of land use, land-use change and forestry;
- Carbon credits from market-based mechanisms;
- Associated assumptions and conditions related to the ambition of the pledges;
- Legislations, policies and measures to be implemented related to the intended nationally determined contributions on mitigation;
- Potential social and economic consequences of response measures.

Parties not included in Annex I to the Convention (developing country Parties)

- On a voluntary basis, information relevant to their enhanced action to implement the Convention, subject to the provision of support from, inter alia, developed country Parties, in accordance with decision 1/CP.19, paragraph 2(d), similar to that identified in decision 2/CP.17, paragraphs 34 and 46, and annex III, paragraphs 3–13, such as:
- Underlying assumptions and methodologies;
- Sectors and gases covered;
- Global warming potentials used;
- Estimated mitigation outcomes.

Adaptation

Developed country Parties and other Parties included in Annex II to the Convention

- Information on financing to be provided to developing countries pursuant to Article 4, paragraph 4, of the Convention, similar to the information relevant to the implementation of decision 5/CP.17, paragraphs 21 and 32, decision 12/CP.18, paragraphs 3 and 5, and decision 18/CP.19, paragraphs 4 and 6.

Developing country Parties

- Information on the development and financing needs of NAPs, similar to that identified in decision 5/CP.17.

Finance

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and annex I, paragraphs 13–20, using the relevant common tabular format for submitting such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional, including results-based finance for REDD-plus.

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.

Technology transfer

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and annex I, paragraphs 13-15, 21 and 22, using the relevant common tabular format for submitting such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.

Capacity-building

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and annex I, paragraphs 13-15 and 23, using the relevant common tabular format for such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.

Option 3:

Mitigation

Developed country Parties and other Parties included in Annex I to the Convention

- Information relevant to enhanced action on their specific commitments to undertake mitigation under Article 4, paragraph 2(a) and (b), of the Convention, similar to that identified in decision 2/CP.17, paragraph 5, and annex I, paragraphs 2-12, using the relevant common tabular format for submitting such information, as provided in the annex to decision 19/CP.18:
- Information relevant to its quantified economy-wide emission reduction targets, including, inter alia:
 - Base year
 - Target year or period
 - Gases covered
 - Sectors covered
 - GWP values used
 - Approach to counting emissions and removals from the LULUCF sector
 - Use of international market-based mechanisms in achieving its emission reduction target
 - Associated assumptions and conditions related to the ambition of the pledges;
 - Information relevant to its GHG emission projections, including, inter alia:
 - Greenhouse gas trends/projections and expected greenhouse gas emission reductions up to 2030
 - Sector-based GHG emission projections
 - Species-based GHG emission projections
 - Parameters used for the projection
- Information relevant to its mitigation policies and actions, including, inter alia:
 - Legislations related to the INDC of mitigation
 - Policies and measures to be implemented related to the INDC of mitigation
 - Potential social and economic consequences of response measures.

Parties not included in Annex I to the Convention (developing country Parties)

- On a voluntary basis, information relevant to their enhanced action to implement the Convention, subject to the provision of support from, inter alia, developed country Parties, in accordance with decision 1/CP.19, paragraph 2(d), similar to that identified in decision 2/CP.17, paragraphs 34 and 46, and annex III, paragraphs 3-13, such as:
 - Underlying assumptions and methodologies
 - Sectors and gases covered
 - Global warming potentials used
 - Estimated mitigation outcomes
 - Cost, barriers and needs of implementing the enhanced action for post-2020

Adaptation*Developed country Parties and other Parties included in Annex II to the Convention*

- Information on financing to be provided to developing countries pursuant to Article 4, paragraph 4, of the Convention, similar to the information relevant to the implementation of decision 5/CP.17, paragraphs 21 and 32, decision 12/CP.18, paragraphs 3 and 5, and decision 18/CP.19, paragraphs 4 and 6.
- Types and numbers of support
- Delivery mechanism and channel for the support
- Sectors and geographical areas covered by the various types of support
- Indicative timeline for provision of support

Developing country Parties

- Information on the development and financing needs of NAPs, similar to that identified in decision 5/CP.17.
- Type of adaptation contribution
- Nationally determined adaptation options and adaptive capacity enhancement;
- Cost, barriers and needs of implementing the enhanced action for post-2020
- Information on the activities undertaken to develop NAPs.

Finance*Developed country Parties and other Parties included in Annex II to the Convention*

- Information similar to that identified in decision 2/CP.17, paragraph 48, and annex I, paragraphs 13-20, using the relevant common tabular format for submitting such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.
- Plans, policies and measures to ensure implementation.
- Target of intended scale of financial support
- Target year or period of this financial support
- Scale and numbers of financial support;
- Annual expected scale of financial support
- Intended type of financial support to developing countries, e.g. for mitigation, adaptation, capacity-building, cross-cutting
- Intended sectors of financial support to developing countries, e.g. energy, industrial processes, agriculture, forestry/ LULUCF, waste management, water and sanitation, infrastructures, education
- Intended financial instruments for support to developing countries, e.g. grants, concessional loans
- Channel, mechanism and road map for provision of the support
- Intended financial sources for support to developing countries, e.g. ODA, OOF
- Plans, policies and measures to ensure implementation

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.
- Constraints and gaps and related financial needs

Technology transfer*Developed country Parties and other Parties included in Annex II to the Convention*

- Information similar to that identified in decision 2/CP.17, paragraph 48, and its annex I, paragraphs 13-15, 21 and 22, using the relevant common tabular format for submitting such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.
- Time frame of technology support

- Policies, measures and indicative plan to be taken to promote, facilitate and finance the transfer of, access to and deployment of climate-friendly technology for developing country Parties
- Support, including policies and projects and its resource for the R&D and demonstration of climate-friendly technology in developing country Parties
- Channel, mechanism and road map for provision of the support
- Plans, policies and measures to ensure implementation

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.
- Constraints and gaps and related technology needs, including relevant finance needs and technology inventory

Capacity-building

Developed country Parties and other Parties included in Annex II to the Convention

- Information similar to that identified in decision 2/CP.17, paragraph 48, and annex I, paragraphs 13-15 and 23, using the relevant common tabular format for such information as provided in the annex to decision 19/CP.18, specifying the type, amount, sources, channel, mechanism and/or road map for the support, as well as an indication of which resources are new and additional.
 - Time frame of capacity-building support
 - Type of capacity-building support, including specific policies, measures, indicative plan and projects to support developing country Parties to enhance their capacity
 - Prior areas of the capacity-building support
 - Channel, mechanism and road map for provision of the support
 - Plans, policies and measures to ensure implementation

Developing country Parties

- Information similar to that identified in decision 2/CP.17, annex III, paragraphs 14-16.
 - Constraints and gaps and related technology needs, including relevant finance needs and technology inventory

Option 4:

Mitigation

- Type of mitigation contribution;
- Time frame or time period;
- Base year and other reference points;
- Coverage in terms of: geographical boundaries; sectors; greenhouse gases; percentage of total/national emissions covered;
- Baseline emissions and related assumptions and methodologies, including methods for the projection of carbon intensity of gross domestic product;
- A quantification of expected emission reductions, including, as applicable, estimates with and without land use, land-use change and forestry, and the relationship to current emission trends;
- Annual estimated reduction in emission intensity of the economy
- Assumed development of emission intensity (GHG emissions per GDP) until target year;
- Methodologies, emission factors and metrics used, including global warming potentials, in accordance with the relevant decisions of the Conference of the Parties;
- Long-term trajectory, including peaking year;
- Expected use of international market mechanisms, including how double counting will be avoided;
- Mitigation contribution from the land-use sector, assumptions used related to the approach to accounting for the land-use sector, including references used and:

- Coverage of the land sector, and choice of methodology (activity based/area based)
- Inclusion of deforestation, afforestation and reforestation
- Accounting approach, other land areas;
- For each land use/activity/category/sub-category covered:
 - GHG accounted
 - Carbon pools accounted
 - Details of the transparent treatment of anthropogenic carbon stock changes, when LULUCF is not included in the INDC
 - Accounting approach (type of reference level – see 3.A)
 - Assumptions for RLs in case of BAU
 - Intention of using natural disturbances provision
 - Expected future net emissions/removals from the sector (by sub-category, if possible), and accountable quantity
 - If/how the information above is consistent with GHG inventory;
- Estimated macroeconomic and marginal abatement costs of achieving the mitigation commitments or targets, with a description of the methods used to estimate them;
- Specific information beyond the elements listed above relevant for the chosen type of contribution that is essential for the understanding of the type and the ambition of the intended national contribution;
- A description of how the contribution related to previous mitigation targets in terms of coverage of sectors and gases as well as mitigation ambition;
- An indication of additional mitigation action to be achieved through the provision of support;
- Existing and/or anticipated domestic measures, including those with legal force, that support the implementation of the mitigation contribution;
- Any other information to facilitate the clarity, transparency and understanding of the mitigation contribution, including, inter alia:
 - Indicators relating to fairness and ambition and their application;
 - A description of how the contribution relates to the objective of the Convention, including how it responds to the need for ambition and for a fair distribution of effort;
 - Additional specific information depending on the type of contribution;
 - Any other information, as appropriate;
 - Supporting narrative relating to fairness and ambition;
 - Additional specific information depending on the type of contribution.

Option 5:

Complementary information on intended nationally determined contributions of Parties

Mitigation: Annex I Parties and those countries in a position to do so (Annex A Parties):

- Type of mitigation contribution;
- Time frame or time period;
- Base year;
- Numerical INDC relative to a common base year of 2015;
- Coverage in terms of: geographical boundaries; sectors; greenhouse gases; percentage of total/national emissions covered;
- Global warming potential values;
- A quantification of expected emission reductions, including estimates with and without land use, land-use change and forestry;

- Methodologies, emission factors and metrics used, including global warming potentials in accordance with the relevant decisions of the Conference of the Parties;
- Long-term trajectory;
- Expected use of national market mechanisms;
- Any other information to facilitate the clarity, transparency and understanding of the mitigation contribution;

Mitigation: Developing country Parties without national economy-wide contributions

- Underlying assumptions and methodologies;
- Sectors and gases covered;
- Global warming potentials used;
- Estimated mitigation outcomes;

Means of implementation: Annex I Parties and those countries in a position to do so

- Quantified finance support to be provided to developing country Parties for technology and capacity-building support contribution for adaptation;
- Quantified finance support to be provided to developing country Parties for technology and capacity-building support contribution for mitigation;
- Type of support contribution;
- Time frame or time period for support contributions;
- Annual expected levels of climate finance support;
- Indicators relating to fairness and ambition and their application;

Option 6:**Adaptation commitments by all Parties (Art 4.1)**

Projected impacts , including methodology used, assumptions and associated costs and indicative timeline	
Adaptation Planning options, approaches and technology needs and adaptive capacity enhancements, and associated costs and indicative timeline	
Programmes – Projects , including those identified in context of NAPs/NAPAs, finance and technology needs and value of action for recognition and investment – contribution (+) or requirement (-)	
International cooperation , including cooperative actions, international and regional and investments to be contributed (in USD) or required (in USD) and indicative timeline ²	

Adaptation commitments (Art 4.4)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Support to be provided in response to identified adaptation options, including means of implementation, investments, technology transfer and capacity-building											
Project and programme assistance to be provided as set out in NAPs and NAPAs											
Support to be provided for international and regional initiatives											

² All Parties enhance their efforts by cooperating internationally, across all countries and/or regionally; specifying their investments as contributions to others or requirements.

Mitigation commitments by all Parties (Article 4.1b)³

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2050
Party A's reduction in emissions intensity of its economy	⁴											Indicative absolute reduction and low-emission development plan
Party B's reduction in emissions intensity of its economy												
...												
Party L's set of NAMAs	Nationally appropriate mitigation actions – committed to implement in the period 2020-2030									Indicative absolute reduction and low-emission development plan		
LDC Party S's set of NAMAs	Flexibility to submit only individual NAMAs for the period 2020-2030									Indicative avoided emissions and low-emission development plan		

³ All Parties present mitigation actions. Some developing countries that strive to slow their emissions growth may present intensity targets as their economy-wide contribution; others may have the flexibility to submit only individual NAMAs for the period 2020–2030. Any developing country Party wishing to adopt a quantified economy-wide emission reduction target may make use of the provisions of Article 4, paragraph 2(g), of the Convention and submit such a target in its instrument of ratification, acceptance, approval or accession. All commitments and actions should be measurable, reportable and verifiable.

⁴ Units of tonnes CO₂ eq / \$ of GDP in the respective year; in addition, Parties may report reduction of the carbon intensity of the economy in 2005. GWP values from the latest IPCC assessment report will be used; CO₂, CH₄ and N₂O will be covered (and encouraged to include more over time); include reporting on LULUCF in any future commitments and actions, including estimates with and without LULUCF; underlying assumptions and methodologies (including methods for the projection of carbon intensity of GDP), support needs for the implementation of NAMAs and estimated mitigation outcomes.

Mitigation commitments (Article 4.2)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2050
Party X's emission reductions below 1990 levels	⁵											Indicative number and zero-carbon plan ⁶
Party Y's emission reductions below 1990 levels												
...												

Additional commitments for Annex II Parties (Art 4.3, 4.4 and 4.5)

	Activity	Value	Measurement, reporting and verification of support
Finance	Sector, region	Sources, assumptions, delivery mechanism, funding of costs of adaptation or mitigation	Report by Standing Committee on Finance
Technology	Sector, description	Assumptions, delivery mechanism, technology for adaptation or mitigation	Report by Technology Executive Committee
Capacity-building	Description	Assumptions, delivery mechanism, adaptive or mitigative capacity	Report under capacity-building framework

⁵ Units of tonnes CO₂ eq; Parties with budgets over a period of time can fill in an average for each year, but not be bound to that average, only the total over the period. GWP values from the latest IPCC assessment report will be used; covering all gases as for national inventory arrangements; specifying the methods and data sources used to determine base year emissions and the GHG inventory methods to be used; include reporting on LULUCF in the estimation of all QEERTs and QELROs, using a clear, uniform and environmentally robust description of the method to be used, and the commitment or target with or without LULUCF (land-use sector accounting; land-based and activity-based accounting; and definition of "managed land" proxies if used); and the use of any carbon credits under the Convention and its instruments, including provisions to prevent double counting. Parties shall report the associated assumptions and conditions related to the ambition of the pledges. They shall further report the estimated macroeconomic and marginal cost of achieving the commitments or target, describing methods used to estimate costs.

⁶ Zero carbon emission pathways should start a steep decline up to 2030, and define a long-term goal of zero emissions for each Party in 2050. The commitments and targets shall be comparable among developed countries.

DRAFT TEXT
on
ADP 2-7 agenda item 3
Implementation of all the elements of decision 1/CP.17
Version 2 of 11 December 2014 at 22:30

Draft COP decision proposed by the Co-Chairs

The Conference of the Parties,

Guided by the Convention,

Recalling the objective of the Convention as set out in its Article 2,

Also recalling all relevant decisions of the Conference of the Parties,

1. *Confirms* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
2. *Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address, inter alia, mitigation, adaptation including loss and damage, finance, technology development and transfer, capacity-building and transparency of action and support in a balanced manner;
3. *To this effect decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify consideration of the elements for a draft negotiating text reflected in annex I, with a view to making available a negotiating text for a protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties before May 2015;
4. *Requests* the secretariat to communicate the negotiating text referred to in paragraph 3 above to Parties in accordance with provisions of the Convention and the applied rules of procedure, while noting that such communication will not prejudice whether the outcome will be a protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;
5. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature of the intended nationally determined contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;
6. *Agrees* that developed country Parties and other Parties in a position to do so will, in the context of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties, mobilize and provide support for ambitious mitigation and adaptation action, especially for Parties particularly vulnerable to the adverse effects of climate change;

7.

Option 1:

Reiterates its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;

Option 2:

Reiterates its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;

Agrees that each Party's intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party;

Option 3:

Agrees that Parties' intended nationally determined contributions towards achieving the objective of the Convention as set out in its Article 2 will include a mitigation contribution, and may also include contributions on adaptation, finance,

technology development and transfer, and capacity-building, and that the intended nationally determined contribution of each Party will represent a progression beyond the current undertaking of that Party;

8. *Reiterates* its invitation to all Parties to communicate their intended nationally determined contributions well in advance of the twenty-first session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;

9.

Option 1:

Decides that all Parties, when communicating to the secretariat their intended nationally determined contributions, will provide the information necessary to facilitate the clarity, transparency and understanding of their intended nationally determined contributions;

Option 2:

Decides that all Parties shall, in the context of their intended nationally determined contributions and in order to facilitate clarity, transparency and understanding, provide information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, expected level of effort, and how the Party considers that its intended nationally determined contribution is fair and equitable, ambitious and consistent with the objective of the Convention as set out in its Article 2;

Option 3:

Decides that all Parties shall, in the context of their intended nationally determined contributions and in order to facilitate clarity, transparency and understanding, provide information on the reference point (including, as appropriate, a base year or other reference values), time frames and periods for implementation, scope and coverage, expected quantified outcomes, any assumptions, methodologies, land-use accounting approaches and expected use of market mechanisms, undertakings in national adaptation planning processes, and if applicable, the provision of finance, technology development and transfer and capacity-building support for ambitious mitigation and adaptation action in developing countries, with special consideration for Parties particularly vulnerable to the adverse effects of climate change and how the Party considers that its intended nationally determined contribution is fair and equitable, ambitious and consistent with the objective of the Convention as set out in its Article 2;

Also decides that Parties shall provide the information identified in annex II, as appropriate, when communicating their intended nationally determined contributions;

10. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;

11. *Requests* the secretariat to:

Option 1: Publish on the UNFCCC website the intended nationally determined contributions as communicated;

Option 2:

- (a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;
- (b) Organize a dialogue between the session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action to take place in June 2015 and the twenty-first session of the Conference of the Parties with the objective of facilitating the clarity, transparency and understanding of the communicated intended nationally determined contributions;
- (c) Prepare a technical paper in advance of the dialogue referred to in paragraph 11 (b) above, on the aggregate effect of the intended nationally determined contributions communicated by Parties prior to 30 June 2015;

Option 3:

- (a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;
- (b) Organize two in-session dialogues, one in conjunction with the session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action to take place in June 2015 and the other in conjunction with the subsequent session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action with the objective of facilitating the clarity, transparency and understanding of:
 - (i) The aggregate effect of Parties' intended nationally determined contributions;
 - (ii) How the intended nationally determined contribution communicated by each Party constitutes a fair and equitable contribution by that Party;

- (c) Prepare a technical paper in advance of the dialogues referred to in paragraph 11 (b) above, on the aggregate effect of the intended nationally determined contributions communicated by Parties prior to 30 May 2015, to be updated in advance of the second in-session dialogue referred to in paragraph 11 (b) above taking into account intended nationally determined contributions communicated one month prior to that in-session dialogue;

12. *Encourages* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol;

13.

Option 1:

Reiterates its resolve as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;

Option 2:

Decides to convene a forum to assess progress made in the implementation of decision 1/CP.19, paragraphs 3 and 4, in conjunction with the forty-second sessions of the subsidiary bodies (June 2015) and invites all Parties to participate in the forum;

Option 3:

Decides to launch an Accelerated Implementation Mechanism to assess progress made in the implementation of decision 1/CP.19, paragraphs 3 and 4, by convening meetings in conjunction with the forty-second sessions (June 2015), the forty-fourth sessions (May 2016), and the forty-sixth sessions (May 2017) of the subsidiary bodies and invites all Parties to participate in the meetings of the Mechanism in order to:

- (a) Enhance the collective understanding among Parties of the status of implementation of existing emission reduction pledges and nationally appropriate mitigation actions with a view to accelerating pre-2020 mitigation ambition and identifying opportunities to further expedite implementation;
- (b) Be informed by the status of implementation of current arrangements under the Convention;
- (c) Assess the need to mobilize financial resources, technological and capacity-building support to enable developing country Parties to implement their nationally appropriate mitigation actions;
- (d) Review the progress made in the technical examination of good practice policies, technologies, financial arrangements and options to enhance pre-2020 ambition;
- (e) Facilitate the coherence of the work of the Convention bodies relevant to the implementation of pre-2020 climate action;

14. *Decides* to continue the technical examination of opportunities with high mitigation potential, including those with adaptation, health and sustainable development co-benefits, in the period 2015–2020, by requesting the secretariat to:

- (a) Organize a series of in-session technical expert meetings which:
 - (i) Facilitate Parties in the identification of policy options, practices and technologies for each thematic area and planning for their implementation in accordance with nationally defined development priorities;
 - (ii) Build on and utilize the related activities of, and further enhance collaboration and synergies among, the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;
 - (iii) Build on earlier technical expert meetings to hone and focus on actionable policy options;
 - (iv) Provide meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, academic institutions, the private sector and subnational authorities nominated by the respective country;
 - (v) Support the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;
 - (vi) Facilitate enhanced engagement by all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;
- (b) Update, following the technical expert meetings referred to in paragraph 14 (a) above, the technical paper on mitigation benefits of actions, initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert

meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;

- (c) Disseminate the information referred to in paragraph 14 (b) above, including by publishing a summary for policymakers;

15. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to make recommendations for further advancing the technical examination process, including for periodic assessment of the technical expert meetings, to the Conference of the Parties at its twenty-first session;

16. *Welcomes* the Lima Climate Action High Level Meeting convened by the President of the Conference of the Parties on 11 December 2014 and encourages the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level event on enhancing implementation of climate action;

17. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

Annex I

Elements for a draft negotiating text

[Insert: *Elements for a draft negotiating text – Version 2 of 10 December 2014 at 06.30*]

Annex II

Complementary information on intended nationally determined contributions of Parties

Mitigation

- Time frame or time period;
- Base year and other reference values;
- Coverage in terms of: geographical boundaries; sectors; greenhouse gases; percentage of total/national emissions covered;
- Assumptions and methodologies used for any emission projections, ‘business as usual’ or intensity target;
- A quantification of expected emission reductions;
- Methodologies and metrics used, including global warming potentials, in accordance with the relevant decisions of the Conference of the Parties;
- Long-term trajectory, including peaking year;
- Expected use of international market mechanisms, including how double counting will be avoided;
- Approach to accounting for the land sector, including an explanation of how Parties will address all significant lands or activities, pools and gases; the reason for exclusion of any significant lands or activities, pools and gases; the approach proposed for addressing non-anthropogenic impacts, if any; and whether any accounting approaches build upon “existing and agreed guidance or other methodologies”; An indication of additional mitigation action to be achieved through the provision of support;
- Supporting narrative relating to fairness and ambition.

Adaptation

- Type of adaptation contribution;
- Projected climate impacts and related assumptions;
- Analysis of vulnerable sectors;
- Technology, investment and capacity-building needs;
- Nationally determined adaptation options, adaptive capacity enhancement and their costs;

- Quantification of own investments; own adaptation efforts;
- Programmes and projects per sector, including those identified in the context of a national adaptation programme of action (NAPA) and a national adaptation plan (NAP);
- Definition of adaptation needs;
- International cooperation, including cooperative actions, international and regional investments to be contributed or required and their timeline;
- Support for international and regional initiatives;
- Types of support by Parties included in Annex II to the Convention (Annex II Parties), such as grants or bilateral funding;
- Delivery mechanism and channel for the support provided by Annex II Parties;
- Sectors and geographical areas covered by the various types of support provided by Annex II Parties;
- Indicative timeline for provision of support;
- Information on the formulation and implementation of NAPs, building on the initial guidelines contained in the annex to decision 5/CP.17, including the sectors or geographical areas, the policies included and whether it is a NAP (or segment(s) of a NAP), a local adaptation plan (or segment(s) of a local adaptation plan) or a NAPA (or segment(s) of a NAPA).

Finance, technology and capacity-building

- Finance, technology and capacity-building support contribution for adaptation, including for identified adaptation options;
- Finance, technology and capacity-building support contribution for mitigation;
- Quantified financial contributions for capacity-building;
- Scale of support contribution;
- Type of support contribution;
- Time frame or time period for support contributions;
- Channel and delivery mechanism for support contribution;
- Future contributions to various funds and other channels available, including “estimates of private resources directly mobilized by public funds;
- Identification of finance, technology and capacity-building needs, including investment needs, related to intended nationally determined contributions;
- Annual expected levels of climate finance;
- Policies and measures to provide clarity on where countries are on the pathway to achieving the collective goal defined for the provision of support;
- A quantification of the national investment made on mitigation and adaptation;
- Efforts to mobilize and provide resources for domestic climate action and/or efforts to enhance the national enabling environment.

Other

- Indicators relating to fairness and ambition and their application;
- A description of how the contribution relates to the objective of the Convention, including how it responds to the need for ambition and for a fair distribution of effort;
- Additional specific information depending on the type of contribution;
- Any other information, as appropriate.



United Nations

FCCC/ADP/2014/L.5



Framework Convention on
Climate Change

Distr.: Limited
12 December 2014

Original: English

Ad Hoc Working Group on the Durban Platform for Enhanced Action

**Second session, part seven
Lima, 2-11 December 2014**

Agenda item 3

Implementation of all the elements of decision 1/CP.17

Implementation of all the elements of decision 1/CP.17

Draft conclusions proposed by the Co-Chairs

Recommendation of the Ad Hoc Working Group on the Durban Platform for Enhanced Action

The Ad Hoc Working Group on the Durban Platform for Enhanced Action, at the seventh part of its second session, recommended the following draft decision for consideration and adoption by the Conference of the Parties at its twentieth session:

Draft decision -/CP.20

Further advancing the Durban Platform

The Conference of the Parties,

Reiterating that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall be under the Convention and guided by its principles,

Recalling the objective of the Convention as set out in its Article 2,

Also recalling all the relevant decisions of the Conference of the Parties, particularly decisions 1/CP.17, 2/CP.18 and 1/CP.19,

Noting with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels,

1. *Confirms* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session (November-December 2015) to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
2. *Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address, inter alia, mitigation, adaptation, finance, technology development and transfer, capacity-building and transparency of action and support in a balanced manner;
3. *Urges* developed country Parties to provide and mobilize support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and invites other Parties willing to do so to complement such support;

4. *Acknowledges* the progress made in Lima, Peru, in elaborating the elements for a draft negotiating text as contained in the annex and decides that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify its consideration, with a view to making available a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties before May 2015;
5. *Requests* the secretariat to communicate the negotiating text referred to in paragraph 4 above to Parties in accordance with provisions of the Convention and the applied rules of procedure, while noting that such communication will not prejudice whether the outcome will be a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
6. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature and content of the intended nationally determined contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;
7. *Reiterates* its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;
8. *Agrees* that each Party's intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party;
9. *Also agrees* that the least developed countries and small island developing States may communicate information on strategies, plans and actions for low greenhouse gas emission development reflecting their special circumstances in the context of intended nationally determined contributions;
10. *Invites* all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their intended nationally determined contributions;
11. *Reiterates* its invitation to all Parties to communicate their intended nationally determined contributions well in advance of the twenty-first session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;
12. *Decides* that all Parties shall, in the context of their intended nationally determined contributions and in order to facilitate clarity, transparency and understanding, provide information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2;
13. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;
14. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to organize a non-intrusive and facilitative dialogue, respectful of national sovereignty, at the sessions of the Ad Hoc Working Group on the Durban Platform for Enhanced Action starting in June 2015 with the objective of facilitating the clarity, transparency and understanding of the intended nationally determined contributions of those Parties willing to do so;
15. *Also requests* the secretariat to:
 - (a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;
 - (b) Prepare by 30 July 2015 a technical paper compiling the information provided by 30 June 2015 by Parties when communicating their intended nationally determined contributions;
16. *Encourages* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol;
17. *Decides* to accelerate the implementation of decision 1/CP.19, paragraphs 3 and 4, by convening a forum to be held in conjunction with the forty-fourth sessions (May 2016) and the forty-sixth sessions (May 2017) of the subsidiary bodies and invites all Parties to participate in the forum in order to:
 - (a) Be informed by the status of implementation of the institutional arrangements under the Convention;
 - (b) Assess the need to mobilize financial resources, technological support and capacity-building support to enable developing country Parties to implement their nationally appropriate mitigation actions;

(c) Review the progress made in the technical examination of good practice policies, technologies, financial arrangements and options to enhance pre-2020 ambition;

(d) Facilitate the coherence of the work of the Convention bodies relevant to the implementation of pre-2020 climate action;

18. *Also decides* to continue the technical examination of opportunities with high mitigation potential, including those with adaptation, health and sustainable development co-benefits, in the period 2015–2020, by requesting the secretariat to:

(a) Organize a series of in-session technical expert meetings which:

(i) Facilitate Parties in the identification of policy options, practices and technologies and in planning for their implementation in accordance with nationally defined development priorities;

(ii) Build on and utilize the related activities of, and further enhance collaboration and synergies among, the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;

(iii) Build on previous technical expert meetings in order to hone and focus on actionable policy options;

(iv) Provide meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, women, youth, academic institutions, the private sector, and subnational authorities nominated by their respective countries;

(v) Support the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;

(vi) Facilitate the enhanced engagement of all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;

(b) Update, following the technical expert meetings referred to in paragraph 18(a) above, the technical paper on the mitigation benefits of actions, and on initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;

(c) Disseminate the information referred to in paragraph 18(b) above, including by publishing a summary for policymakers;

19. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to make recommendations in relation to further advancing the technical examination process, including the periodic assessment of the technical expert meetings, to the Conference of the Parties at its twenty-first session;

20. *Welcomes* the Lima Climate Action High Level Meeting convened by the President of the Conference of the Parties on 11 December 2014 and encourages the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level event on enhancing implementation of climate action;

21. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

Annex

[English Only]

Elements for a draft negotiating text

[Placeholder for *Elements for a draft negotiating text – Version 2 of 10 December 2014 at 06:30*]



Conference of the Parties

Twentieth session

Lima, 1-12 December 2014

Agenda item 4

**Report of the Ad Hoc Working Group on the Durban Platform
for Enhanced Action**

Further advancing the Durban Platform

Draft decision -/CP.XX

Proposal by the President

The Conference of the Parties,

Reiterating that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall be under the Convention and guided by its principles,

Recalling the objective of the Convention as set out in its Article 2,

Also recalling all the relevant decisions of the Conference of the Parties, particularly decisions 1/CP.17, 2/CP.18 and 1/CP.19,

Affirming its determination to strengthen adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the Convention to be adopted at the twenty-first session of the Conference of the Parties (November-December 2015),

Recalling decisions 2/CP.19 and X/CP.20 (Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts) and welcoming of the progress made in Lima, Peru, towards the implementation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts,

Noting with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels,

1. *Confirms* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
2. *Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address in a balanced manner, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support;
3. *Underscores* its commitment to reaching an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances;
4. *Urges* developed country Parties to provide and mobilize enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and recognizes complementary support by other Parties;

5. *Acknowledges* the progress made in Lima in elaborating the elements for a draft negotiating text as contained in the annex;
6. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify its work, with a view to making available a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties before May 2015;
7. *Requests* the secretariat to communicate the negotiating text referred to in paragraph 6 above to Parties in accordance with provisions of the Convention and the applied rules of procedure, while noting that such communication will not prejudice whether the outcome will be a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
8. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature and content of the intended nationally determined contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;
9. *Reiterates* its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;
10. *Agrees* that each Party's intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party;
11. *Also agrees* that the least developed countries and small island developing States may communicate information on strategies, plans and actions for low greenhouse gas emission development reflecting their special circumstances in the context of intended nationally determined contributions;
12. *Invites* all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their intended nationally determined contributions;
13. *Reiterates* its invitation to all Parties to communicate their intended nationally determined contributions well in advance of the twenty-first session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;
14. *Agrees* that the information to be provided by Parties communicating their intended nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2;
15. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;
16. *Requests* the secretariat to:
 - (a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;
 - (b) Prepare by 1 November 2015 a synthesis report on the aggregate effect of the intended nationally determined contributions communicated by Parties by 1 October 2015;
17. *Encourages* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol;
18. *Reiterates* its resolve as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;
19. *Decides* to continue the technical examination of opportunities with high mitigation potential, including those with adaptation, health and sustainable development co-benefits, in the period 2015-2020, by requesting the secretariat to:
 - (a) Organize a series of in-session technical expert meetings which:
 - (i) Facilitate Parties in the identification of policy options, practices and technologies and in planning for their implementation in accordance with nationally defined development priorities;

- (ii) Build on and utilize the related activities of, and further enhance collaboration and synergies among, the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;
 - (iii) Build on previous technical expert meetings¹ in order to hone and focus on actionable policy options;
 - (iv) Provide meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, women, youth, academic institutions, the private sector, and subnational authorities nominated by their respective countries;
 - (v) Support the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;
 - (vi) Facilitate the enhanced engagement of all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;
 - (b) Update, following the technical expert meetings referred to in paragraph 19(a) above, the technical paper on the mitigation benefits of actions, and on initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;
 - (c) Disseminate the information referred to in paragraph 19(b) above, including by publishing a summary for policymakers;
20. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to make recommendations in relation to further advancing the technical examination process, including the periodic assessment of the technical expert meetings, to the Conference of the Parties at its twenty-first session;
21. *Welcomes* the Lima Climate Action High Level Meeting convened by the President of the Conference of the Parties on 11 December 2014 and encourages the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level event on enhancing implementation of climate action;
22. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

Annex

[English Only]

Elements for a draft negotiating text

[Placeholder for *Elements for a draft negotiating text – Version 2 of 10 December 2014 at 06:30*]

¹ In 2014 the Ad Hoc Working Group on the Durban Platform for Enhanced Action undertook technical expert meetings on renewable energy, energy efficiency, land-use change and forestry (including REDD-plus), urban environments, carbon dioxide capture use and storage and non CO₂ greenhouse gases.

Decision -/CP.20

Lima call for climate action

The Conference of the Parties,

Reiterating that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall be under the Convention and guided by its principles,

Recalling the objective of the Convention as set out in its Article 2,

Also recalling all the relevant decisions of the Conference of the Parties, particularly decisions 1/CP.17, 2/CP.18 and 1/CP.19,

Affirming its determination to strengthen adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the Convention to be adopted at the twenty-first session of the Conference of the Parties (November-December 2015),

Recalling decisions 2/CP.19 and X/CP.20 (Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts) and welcoming the progress made in Lima, Peru, towards the implementation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts,

Noting with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2°C or 1.5°C above pre-industrial levels,

1. *Confirms* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
2. *Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address in a balanced manner, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support;
3. *Underscores* its commitment to reaching an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances;
4. *Urges* developed country Parties to provide and mobilize enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and recognizes complementary support by other Parties;
5. *Acknowledges* the progress made in Lima in elaborating the elements for a draft negotiating text as contained in the annex;
6. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify its work, with a view to making available a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties before May 2015;
7. *Requests* the secretariat to communicate the negotiating text referred to in paragraph 6 above to Parties in accordance with provisions of the Convention and the applied rules of procedure, while noting that such communication will not prejudice whether the outcome will be a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;
8. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature and content of the intended nationally determined contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;
9. *Reiterates* its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;
10. *Agrees* that each Party's intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party;

11. *Also agrees* that the least developed countries and small island developing States may communicate information on strategies, plans and actions for low greenhouse gas emission development reflecting their special circumstances in the context of intended nationally determined contributions;
12. *Invites* all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their intended nationally determined contributions;
13. *Reiterates* its invitation to all Parties to communicate their intended nationally determined contributions well in advance of the twenty-first session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;
14. *Agrees* that the information to be provided by Parties communicating their intended nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2;
15. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;
16. *Requests* the secretariat to:
 - (a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;
 - (b) Prepare by 1 November 2015 a synthesis report on the aggregate effect of the intended nationally determined contributions communicated by Parties by 1 October 2015;
17. *Encourages* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol;
18. *Reiterates* its resolve as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;
19. *Decides* to continue the technical examination of opportunities with high mitigation potential, including those with adaptation, health and sustainable development co-benefits, in the period 2015–2020, by requesting the secretariat to:
 - (a) Organize a series of in-session technical expert meetings which:
 - (i) Facilitate Parties in the identification of policy options, practices and technologies and in planning for their implementation in accordance with nationally defined development priorities;
 - (ii) Build on and utilize the related activities of, and further enhance collaboration and synergies among, the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;
 - (iii) Build on previous technical expert meetings¹ in order to hone and focus on actionable policy options;
 - (iv) Provide meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, women, youth, academic institutions, the private sector, and subnational authorities nominated by their respective countries;
 - (v) Support the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;
 - (vi) Facilitate the enhanced engagement of all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;

¹ In 2014 the Ad Hoc Working Group on the Durban Platform for Enhanced Action undertook technical expert meetings on renewable energy, energy efficiency, land-use change and forestry (including REDD-plus), urban environments, carbon dioxide capture use and storage and non-CO2 greenhouse gases.

- (b) Update, following the technical expert meetings referred to in paragraph 19(a) above, the technical paper on the mitigation benefits of actions, and on initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;
 - (c) Disseminate the information referred to in paragraph 19(b) above, including by publishing a summary for policymakers;
20. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to make recommendations in relation to further advancing the technical examination process, including the periodic assessment of the technical expert meetings, to the Conference of the Parties at its twenty-first session;
21. *Welcomes* the Lima Climate Action High Level Meeting convened by the President of the Conference of the Parties on 11 December 2014 and encourages the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level event on enhancing implementation of climate action;
22. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

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ISBN 978-967-0747-05-7

