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Workshop examines Equity as Enabler not Impediment to Ambition

Bonn, 17 May (Hilary Chiew) – Equity is not an impediment but is an enabler of environmentally ambitious actions. Equity should even be seen as a gateway to environmental ambition.

This was one of the key messages emerging from several presenters and participants at the Equity Workshop held under the AWG-LCA of the UNFCCC in Bonn on 16 May.

While many participants from developing countries placed crucial importance on operationalising the equity principle, including in using a "carbon budget" approach, others said a single approach would not work because of differing interpretations of equity and of national circumstances.

There seemed to be broad agreement that equity is an important principle and component in the Convention, and that it should be applied or operationalised not only in the mitigation but also adaptation, finance, technology and the "shared vision" issue.

Many presenters and delegates also proposed that because of the importance of the issue, the workshop should not be a one-off event, but should lead to a work programme on equity that would serve the various UNFCCC bodies and negotiations.

The workshop, entitled "Equitable access to sustainable development" (EASD), was the highlight of the UNFCCC set of talks that took place on 16 May. It was highly anticipated by many because the equity issue has emerged in the forefront of the climate talks, especially since it was central to the intense negotiations at the Durban conference of parties session in December 2011, particularly on the last night when it figured prominently before the decisions (including on launching the Durban Platform) were adopted.

The workshop was on the specific topic of EASD, a term adopted as part of the Cancun decision, in the context of a timeframe for global peaking of greenhouse gas (GHG) emissions. The COP16 recognised that the timeframe for peaking will be longer in developing countries, and that social and economic development and poverty eradication are the first and overriding priorities of developing countries, and agreed to work to identify a timeframe for global peaking based on scientific knowledge and equitable access to sustainable development.

At COP17, India made a proposal to include equity (and two other topics) in the provisional agenda of COP17, and the Presidency conducted informal consultations on the issues. As part of the solution, the COP agreed in Durban to consider the issue of EASD through a workshop at the next AWG-LCA session, and that the AWG-LCA shall report on the workshop to the COP as part of its work.

The workshop was conducted in three sessions, with four or five presentations by delegates and IGOs or NGOs in each session, followed by questions or comments from the floor.

The Chair of the AWG-LCA, Aysar Tayeb, made brief opening remarks. This was followed by **UNFCCC's executive secretary Christina Figueres** whose brief address introduced the theme that equity should be the enabler and not impediment of ambition. She said equity is central to the Convention but difficult to define in such a way that it will be acceptable to all yet it is the heart and soul of the Convention. Perspectives included historic contributions to emissions, future contributions to emissions, and fundamental rights to live and prosper.

She suggested Parties to consider specific country circumstances, historic contribution and capacity of countries to address impact of climate change – and that the key lies in how Parties balance these three Cs. Understanding the equity issue will enable Parties to take the issue forward. Delay would deprive vulnerable communities of basic rights to home, food and land. She urged Parties to try to reach a common understanding that makes equity an enabler rather than impediment of ambition in climate actions.

Dr Sivan Kartha, senior scientist of the Stockholm Environment Institute said that according to the Cancun decision, EASD in the context of peaking must be seen from a country's sustainable development prospect and that work is needed to identify a timeframe based on science and EASD. He outlined three key requirements for EASD not to be compromised by peaking:

1. The global emission peaks (and subsequent rate of decline) must be consistent with keeping climate change below the agreed maximum level.
2. Each country must have a sufficient share of the limited remaining GHG budget, as this determines how soon its national emissions must peak and how quickly they must decline.
3. Each country must also have adequate financial and technological means to keep within the available GHG budget, without compromising poverty eradication and development needs

Pointing to possible pathways to meet a 2 degree goal, and the implications for Annex I and non-Annex I countries, Dr Kartha said most of the carbon budget was already used up. Given the global budget constraint, and if the present Annex I pledges are taken into account, then non-Annex I countries are implicitly being required to peak within a year or two following global peaking, if 2015 is chosen as the global peaking year. Even if Annex I parties do deeper emission cuts, NAI could delay its peaking, but by only a further two years. In the scenarios, most developing countries are being required to peak soon, well before 2025.

This, said Dr Kartha, shows the importance of the equity issues, such as CBDR and historical responsibilities (of developed countries). In particular, the availability of finance and technology is crucial to enable peaking by developing countries

He referred to a chart, with estimates of per capita incomes (by PPP) of various countries at the year in which they peak (or are required to peak, under a scenario), ranging from $2,000 for LDCs, Indonesia and India at $5,000, China at $11,000, EU at $29,000 and US at $42,000. Comparing the income level of India and Indonesia with that of the US at the estimated year of peaking, he pointed out that their incomes would be one-eighth or one-ninth of the US income. If incomes are valued at market rates (instead of PPP), the incomes would be two thirds less for India and LDCs.

The $5,000 income level of India and Indonesia when peaking would be similar to the US income level in 1890s when it recognised that fossil fuels use and industrialisation was its route out of poverty. But at this time India and Indonesia would have to do the opposite, to decouple their emissions from economic growth.

Fossil fuel-driven industrialisation is a path that climate science said is no longer available. Alternative paths based on different energy and so on are not proven. Yet developing countries are being asked to take these paths, without compromising other goals including adaptation. This underscores the importance of the developing countries' need for finance and technology.

Dr Kartha said there are two broad approaches on equitable burden-sharing: resource-sharing where Parties share the available carbon budget in accordance with equity principles and effort-sharing where Parties share the necessary effort (tonnes of reduction and costs) in accordance with equity principles.

He said while there is no equation to capture all the elements of equity but there are some core principles in the CBDR that we apply in other areas such as progressive taxation, taking responsibilities when injuring others and system of governance to do so.

He concluded with further questions for burden-sharing: against what notions of equity do you propose your Party's actions should be assessed and what indicators of comparability would demonstrate your Party is doing its fair share to ensure equitable access?

Dr Prodipto Ghosh of the The Energy and Resources Institute of India said equity is about fairness or ethical conduct, and included obligations regarding mitigation and adaptation, finance and technology transfers, while the loss of livelihoods due to mitigation action by others is an ethical issue.

He said climate change obligations need to be realised on the basis of equity if the arrangements are to have wide political acceptability and hence sustainability in practice. Unless these obligations are based on equity, they won't last long because there was no political acceptability for them.

Ghosh proposed several equity norms, including that all contribute to the Convention's ultimate objective; high-capability persons should provide resources and technology to persons of low-capability to deal with damage from climate change impacts and to enable them to remain within their entitlements; when actions to address climate change lead to livelihood loss of the poor, they should be given assistance; and all humans have equal entitlements to global resources.

He also proposed shared ethical convictions including thou should not steal, no slavery or use of force, polluter pays, poverty to be eradicated, and no cultural group should be driven to cultural extinction. He said that his proposed norms meet the test of validation and proposed that any suggested norm should meet this test. He concluded that Parties cannot agree to the peaking issue until the assignment of rights on an equitable basis is done.

Nauru, representing the Alliance of Small Island States (AOSIS), represented by Amb. Sai Navoti, outlined science, sustainable development and survival as three elements of equity. It said carbon dioxide emission in 2011 was the highest in human history and the concentration of carbon in the atmosphere continues to rise despite 20 years of trying to address this problem. Sea level was rising faster than the upper range predicted in the IPCC 4th Assessment Report.

A pathway for keeping temperature rise at 1.5°C is consistent with equity, sustainable development and survival. The window for this is rapidly closing and emissions must peak by 2015 and rapidly decline thereafter.

It said equity requires fairness in all aspects of negotiation – mitigation, adaptation and means of implementation. On mitigation, developed countries must take the lead with rapid GHG reduction of 45% below the 1990 level by 2020. Finance and technology transfer must be scaled up for developing countries to do their mitigation, and for adaptation which must be grant-based.

It called for an international mechanism to address loss and damages from climate change impacts. This has three components -- risk management, insurance for extreme weather, and a solidarity fund for rehabilitation. If those responsible and with ability to pay do not pay for adaptation or for loss and damage, then the victims have to pay, and this obviously is not an equitable outcome.

Bolivia, represented by Diego Pacheco, said equity as a principle is key to solving the climate crisis by linking rights and obligations. It said the UNFCCC had many equity related principles, citing them. However, it said, while rich countries enjoy a relatively plentiful and wasteful use of energy, most developing countries struggle for their very basic needs. Equity in mitigation obligations mean that developed countries should have drastic cuts while developing countries are supported in their efforts. Also, the historical cumulative emissions debt of developed countries should be repaid through finance and technology transfers to developing countries. It also proposed a carbon budget approach to limiting global emissions while enabling an equitable allocation of rights and responsibilities.

Bolivia also suggested that the equity principle must be operationalized in the negotiations and outcomes in all aspects. It proposed that a work programme on equity with a concrete road map be established. The work programme must be long-term and not just a series of workshop, and it must permeate into all the negotiations and bodies of UNFCCC, including the Durban Platform process. It wanted this proposal in the workshop summary.

India, represented by Mr. R.R. Rashmi, recalled that the need for equity was one of the central messages in Durban. This was discussed not only in the AWG-LCA but also in the COP itself, where the Presidency held consultations, leading to this workshop.

He said a point to be noted is that sustainable development does not cover the full dimension of equity. Thus the equity discussion has to go beyond its links to sustainable development and must also cover other aspects. Equity is a cornerstone of the Convention, and this is a reason why there was such a spirited discussion on it in Durban.

He said one misconception is that equity is an impediment to (environmental) ambition. India's call for equity is misunderstood by some as a hesitation to act. This should be dispelled because for India, equity is not an impediment but a key enabler for all Parties to act.

He also dispelled the notion that equity is opposed to sustainable development. He said equity is not equated with a right to pollute but is linked to the right for survival for millions in developing countries, as well as representing the right to development and poverty eradication.

Equity is not only linked to mitigation but that it permeates all aspects of the negotiation like finance and technology transfer and adaptation and all these issues need to be infused with equity. There remained contextual issues not discussed yet in the shared vision issues of global peaking and long term emission goal, thus serious discussion involving equity is required to come to a conclusion.

India also commented on a view that one of the decisions in Durban is that rules for the post-2020 arrangements would no longer have equity. It pointed out that as Parties are not creating a new Convention, therefore, equity should be central in the Durban Platform negotiations and apply to entitlements and actions.

Switzerland, represented by Amb. Franz Perrez, said sustainable development is a challenge for all Parties including the developed ones. It said Parties cannot reduce a discussion on access to sustainable development to the carbon space only, as emissions will be less and less a determinant to sustainable development in light of climate friendly technology, capital investment in this area and awareness.

It also said there are many different criteria about equity and each of them are important to understand and merit consideration and need refinement by all Parties. Different criteria of equity includes the egalitarian approach, ability to pay, the efficiency principle, polluter pays principle, basic needs principle and the desert principle.

The South Centre, represented by Martin Khor, said equity is not the enemy but the gateway to environmental ambition. A global climate deal requires recognition of the environmental imperative, development imperative and equity imperative, and equity is the cement bringing environment and development together. Recognising and operationalising of the equity principle will facilitate that the means of implementation can be provided in adequate amounts and appropriate forms to developing countries so that they can contribute more to the global mitigation effort as well as to meeting their adaptation needs.

He noted that the Convention recognises equity in many provisions. In mitigation, developed countries should take the lead in view of their historical responsibilities. Developing countries also have development imperatives, and their ability to undertake climate actions depend on the extent of finance and technology support they receive.

He said there are competing claims on a national budget or a family budget. The trade-offs and dilemmas are more acute for the poor. A poor family would put greater priority on feeding the children and on health care, and also on adaptation action such as managing the effects of rain and floods, ahead of spending on mitigation. Thus, financial assistance is required if the family is to change to environmentally-sound cooking stoves. The same principles apply in a typical budget making exercise by developing countries.

The provision of finance to support mitigation in developing countries, which is operationalising the equity principle, would be a necessary piece of effective global mitigation action. Recognising the gateway role of equity to higher environmental ambition is not a rhetorical but a logical and realistic way of getting to a successful mitigation framework, he added.

He said between 1850 and 2009, about 1,280 Gigatons of C02 were emitted. To achieve a 67% probability of limiting temperature rise to within 2 degrees, CO2 emissions in 2010-2050 must be kept to below 750 Gt. Of the cumulative global emissions Annex I countries accounted for 72% of the total (compared to their share of population of about 25%) while the developing countries' share was 28%. The over-utilisation by Annex I was 568 Gt, the same as the under-utilisation by developing countries. In terms of annual flow, Annex I is still exceeding its fair share.

In sharing the remaining carbon space in 2010-2050 two concepts are needed: (1) The allocation of carbon space as according to rights and responsibilities; (2) The actual physical emissions reduction schedule that countries can undertake. Counties that are unable to meet their responsibility can contribute to a fund to request other countries to undertake part of the tasks.

In shared vision, Khor said the setting of a global goal for emission reduction should be accompanied by a clarification of the roles of developed and developing countries. For example, a proposal of a global goal of 50% and an Annex I goal of 80% proposal raises some issues. The global goal may not be ambitious enough. Second, the implied distribution gives Annex I countries a budget share of 30 to 35% compared to their 16% share of world population in this period. Third, this proposal implies an unfair distribution of the 2010-50 carbon budget but also writing off the pre 2010 cumulative debt.

Fourthly, the figures imply specific emission cut targets for developing countries and locking in this whole distribution of carbon budget and set of emissions cuts. Developing countries' per capita emissions would be cut by about half below 1990 levels; about 60% cut compared to 2005; and even deeper compared to business as usual in 2050.

Thus, discussion on global emission cuts, or on global peaking, should be accompanied by drawing out the options and implications for developed and developing countries. The volumes of finance and technology transfer available are key components that are linked to the efforts that developing countries can undertake. Thus a holistic approach is required, with the use of the equity principle.

The Centre presented the results of various studies on the adequate financing required for mitigation, adaptation and technology transfer to developing countries. The funds required are many times more than the pledges of US$10 bil a year for fast track financing and US$100 bil a year by 2020. Access to affordable technology at the lowest prices is important because if the technology is cheaper, more climate friendly technology can be applied, for the same amount of funds, and thus actions in developing countries can be greater.

Khor said the workshop is an important opportunity to discuss equity and it should be followed up by a process, in order to contribute to progress in the negotiations. He proposed a work programme to be established under the COP and which would have effect in its bodies and working groups. The objective should be to examine the various aspects of equity as a principle in UNFCCC and how it is to be operationalised in various issues (mitigation, adaptation, finance, technology, shared vision).

Bangladesh, represented by Quamrul Chowdrury, and representing the LDCs, said equity in sustainable development first and foremost means equitable opportunity to development. It must also mean development need not be at the cost of environment. Equity in opportunity to SD therefore means access by developing countries and LDCs to technology transfer and finance.

The EASD paradigm should be in light of raising ambition monumentally to avoid climate catastrophe. It should also be seen through the lens of CBDR&RC to overcome past inequalities and ensure the right to development.

LDCs are worst hit by climate change impacts. Sustainable development should be a global approach to economic planning that fosters growth while preserving the environment, and promote development in LDCs with new and additional finance and technology over and above ODA. Sustainable development is not the sole duty of developing countries along a low carbon pathway as developed countries that developed unsustainably in the past have a primary responsibility to develop a global low carbon economy and society.

Major questions to be resolved include whether sustainable development is possible through low carbon development pathway. Should developing countries continue to follow the carbon intensive traditional growth model of developed countries? Should developed countries sincerely come forward to assist developing countries with adequate finance, technology transfer and capacity building? Should the global community stop setting a precedence for any state to ignore future agreements by the incidence of unilateral withdrawal from the Kyoto Protocol and the inability of the UN to negate such incidence? Shall the global community rise to salvage the planet by putting aside the blame game between Annex I and fast developing non Annex I nations?

Prof He Jian Kun of Tsinghua University, China asserted that the principle of equity and development was the core that should guide long term cooperation. Developed countries had emitted too much which seriously jeopardise the ability of developing countries to access sustainable development. Therefore developed countries should drastically reduce their emissions. They account for 20% of global population but 75% of cumulative emissions, thus creating a serious inequality in terms of usage of the atmospheric space. Although developing countries' emissions have increased, this does not change the basic facts of the historical responsibilities of developed countries.

He said the per capita emissions remain high in developed countries but the ambition and action now and commitment for future is incredibly low and disproportionate to their historical responsibilities, which amounted to transferring the responsibilities to developing countries and increasing the inequality, thus reducing the ability of developing countries to develop while reducing emissions.

He said developed countries completed their industrialisation in early 1970s but their emissions continued to grow in the last 40 years, while developing countries lag several decades behind; it is only a natural law of development that energy consumption continues to grow in developing countries. Hence, as the present per capita emissions of developing countries are far lower than developed countries, their peaking would be accordingly later for some reasonable time.

He cautioned that evading historical responsibilities without substantial emission reduction and adequate transfer of technologies, while imposing on developing countries to peak and decline drastically is neither feasible nor plausible. This would create opposite effects because it would mean losing the support and trust of people in developing countries.

He said current and future negotiation should take the equity principle as guidance with regards to CBDR and be reflected in results of negotiation to create opportunities and equitable regime for all and not to create new inequalities that work against developing countries.

He urged that the workshop be taken as opportunity to discuss and further promote understanding to enable the full, effective and sustained implementation of the Convention and that a work programme be set up to further define equitable access to sustainable development.

Singapore, represented by Ambassador Burhan Gafoor, said it recognises equity as one of the key principles including CBDR and appreciation for national circumstances. The real challenge lies in operationalising it in a fair manner for all countries as equity cannot be defined to benefit a group of countries while resulting in inequalities to others. Equity cannot be given a simplistic definition or reduced to a single criterion; a holistic approach which takes into account national circumstances is needed.

It said there are different national circumstances, endowments and emission potentials. Singapore does not support any approach for equity in a formula or per capita emission as it will penalise small countries, small populations and exaggerate mitigation potential of small countries. A per capita approach undervalues constraints of small countries and their greater adaptation burdens.

It highlighted two key considerations in equity and EASD. The first was historical responsibility. Developed countries are responsible for the largest share (of historical emissions) and could not wish that fact away. Developing countries began their industrialisation only recently. Thus, developed countries must take the lead in combatting climate change.

The second was national circumstances, in line with Art. 4.1. It is the national circumstances that determine what is equitable to a country, and we need multiple definitions of equity. Not all countries have the same level of mitigation potential. He then gave several examples of Singapore's specific circumstances that limit its potential for further mitigation.

CAN International, represented by Tim Gore, described equity as the hanging sword of Damocles for the last 20 years in the climate negotiation. It said equity and ambition are two sides of the same coin which will not be reached without a shared understanding of what can reasonably be expected of others. Parties fear having free-riders. On the other hand, insufficient ambition is inequitable as the poor suffer most.

It said the matter cannot be resolved in one workshop but a follow up process is needed. It proposed a three-phase process is needed – dialogue to understand positions and predicaments, agree to key principles and criteria to operationalise this principle, and applying the principle to key issues (mitigation, adaptation, finance etc) with negotiation of the numbers.

To a question from **Egypt** on whether the need to account for national circumstances should also extend to the need to discuss the different facets of vulnerability, **Amb. Burhan of Singapore** agreed that national circumstances is one way to proceed. The notion of national circumstances is encompassing and allows each country to highlight its vulnerability and unique constraints and problem and what it can do regarding mitigation. National circumstances are also important regarding vulnerability in that it will affect the response a country will have on how to adapt.

The **European Union, represented by Arthur Runge-Metzger,** said to achieve equitable access to sustainable development, an inclusive climate change regime is required to move towards a level playing field. There is no magic formula but it is a political decision-making process to achieve an acceptable outcome, adding that principles of the UNFCCC (referring to CBDR and RC) will have to reflect a changing world where the highest possible efforts by all Parties is carried out in a fair, efficient and transparent way.

Noting that developing countries will be main emitters in the future, it said studies showed that decoupling growth from emissions is possible and is getting cheaper, with real opportunities for business. The EU can contribute to understanding equity as its 27 members have varying per capita GDP levels and its policies have to take account of both efficiency and fairness so that no state is overloaded. In auctioning and allocation of emission allowances, 88% is allocated by historical emissions, 10% by GDP per capita and 2% by rewarding early movers.

It key messages are that inaction threatens sustainable development, while action contributes to sustainable development. What is equitable and fair is subject to interpretation, to be agreed through negotiations on what is acceptable to all.

The **United States of America, represented by Jonathan Pershing,** said it supports the concepts of EASD and equity but if misconstrued they could undermine the broader objective of the Convention. Others may think of equity in a single way, but there are multiple ways to interpret the concept. A formula approach defeats the EASD approach. It did not agree with an approach of carving up a finite carbon space. The point is that not that everyone is given a space to emit, the point should be the opportunity for sustainable development, not carbon space. The more a country moves along a low carbon pathway, the more it can achieve sustainable development.

As an example of a formula approach, he commented on the work of BASIC (comprising Brazil, South Africa, India and China) academics which assigned entitlements of the carbon share among Annex I and non-Annex I countries. While the approach may sound appealing, some of its conclusions (on allocation of emissions and amounts of financing needed) are not tenable in the real world. This ends up being unfair and antithetical to ambition.

He said the Convention's preamble mentions historical and current emissions but not responsibilities. He indicated that the facts about countries associated with "current emissions" had changed since 1992. For example, the top five non-Annex I countries will have 50% more emissions in 2020 than the top five Annex I countries. He mentioned that 74 non-Annex I parties have a higher per capita emission that the lowest Annex I countries.

Pershing said the workshop report should reflect the diversity of views on EASD; it was clear that there is a multiplicity of ways to reflect equity; and that equity should be considered in a broad fashion. If there is only one approach, countries will feel this is unfair and that will drag us away from agreement.

Brazil, represented by Andre Odenbreit Carvalho, said the UNFCCC principles mean that equity can be implemented through the CBDR principle. Equity is a general principle, while CBDR operationalises it. This is expressed by the developed countries doing more in mitigation and giving assistance to developing countries, and this must be reflected in obligations. The Convention shows how this is done.

The term "under the Convention" refers to equity, as equity is served in the present regime. Equity favours ambition. It is wrong to think that developing countries use equity to do less or later. Developing countries want to be very ambitious in all they do but are finding an equitable way to help them to do it. Ambitious means of implementation is serving equity and enables developing counties to do more.

Another link between equity and ambition is that a sense of equity by all favours an ambitious participation of all.

Brazil said that historical responsibility is essential. Disagreeing with the US statement that historical responsibility is not in the Convention, it said the idea is in the Convention while the expression of it is in the Cancun outcome. The Convention has recognised the expression and the idea.

Historical responsibility is useful, as it goes to the heart of CBDR. All countries through emissions from past to the present has contributed to global warming and should contribute to the solution in accordance to the polluter pays principle and not the "polluter-who- knew-what-he-was-doing pay principle." Burden sharing should be on the basis of historical responsibility.

Brazil added that equity is crucial in all issues. On shared vision, the pending issues of global goal and peaking should not be defined in a way that restricts economic growth and social progress. Thus the EASD concept is to apply to peaking and contextual consideration should also be given to the global goal. The contextual consideration is important as the shared vision will not be fair if it is absent.

On finance, Brazil asked if the US$100 bil goal is met, what amount of mitigation is generated? What about the mitigation-adaptation balance? Will more finance be needed? On technology, will the required technologies be transferred?

These contextual uncertainties mean that the goals in shared vision are only indicative. They affect the dynamics of future emissions. For example, if there is more social development, what is the emissions impact? There are potential emissions impacts of global development.

The idea of an emission reduction goal in 2050 is thus tremendously difficult. It is important to capture the need for reduction and the context, the challenge and the difficulty. Otherwise the number is just a restriction.

Brazil said the 2013-15 review also demands equity. It is a review of the adequacy of the 2 degree goal and of progress. It is not a review of the Convention. The adequacy of the 2 degree goal (or a more stringent goal) must also review how it affects development, what is the implication on development. The overall progress must be seen in contextual consideration. Has the support been offered? Is the technology available? If not, how then to proceed?

Australia, represented by Gary Cohen, said that equitable outcomes matter, as we want a durable outcome. The solution needs to be applicable and acceptable to all, this is the equity test. Equity is multi-dimensional and dynamic. For example, some countries feel the impacts more deeply than others; some find the mitigation cost smooth and others more costly because of the nature of their economy. Equity is also about more than mitigation, it also applies to adaptation, finance and technology.

Equity is also dynamic because the situation changes quickly. The situation of emissions of countries in 2005 are different from 1990 and 2020, as the countries (shown on a graph) come from and go towards different places. It said that the Convention recognises the complexities and dynamism.

Egypt, represented by Amb. Ahmed Ihad Gamaleldin, described recent political events in his country, highlighting the demands of the public for jobs, economic growth and social development. It is representative of many developing countries that have development imperatives yet suffer from climate change impacts caused mainly by developed countries' cumulative emissions.

Resources to be allocated to climate actions have an opportunity cost. Developing countries face a severe budget constraint and many competing demands on scarce national financial resources. What we would allocate to climate actions is diverted from much needed expenditures on health, education, socio-economic growth, infrastructure, and poverty eradication efforts.

The equity concept is very important in this context. Countries responsible for 80% of cumulative emissions while representing only about a fifth of world population have to assume their historic responsibility. Equity dictates that they bear most of the global climate solutions including the costs involved.

Equity should be infused into all pillars of the Bali Action Plan and be a fundamental principle that permeates the work of the new Durban Platform. What is needed is to operationalise the concept of equity.

On finance, there is need for adequate and predictable flows of resources to do mitigation and adaptation in developing countries without sacrificing socio-economic development and poverty eradication. Recognising that developed countries face budgetary challenges due to the financial crisis; however the climate crisis is permanent and urgent, while the economic crisis may hopefully be temporary. If trillions of dollars of public funds are available to bail out funds and the economy, then adequate funds must be made available for climate change. Moreover if hundreds of billions of dollars worth of IMF special drawing rights could be issued in 2009 to fight the economic crisis, then SDRs can also be issued to finance climate actions in developing countries

He called for a new work programme under a working group or a dedicated body on equity to be created under the COP. In addition, it should be ensured that the equity principle be reaffirmed and operationalised in all bodies and activities of the UNFCCC.

On behalf of the Arab Group, he recommended that a workshop on the concept of "vulnerability" be organized to objectively determine its various dimensions and facets, as a consideration of both "equity" and "vulnerability" represent important dimensions which should guide the discussions in the new Durban Platform.

Co-chair of the workshop, Prof Zou Ji of China, at the end of the workshop, said there had been many contributions and the discussion had been very helpful. There was a willingness to move forward to find common understanding, to reach agreement in future. He added we cannot finish all the discussions on such a complicated issue in one day. Thus we should continue the communication and thus make it more easy for the negotiation process. He said that there will be a summary report of the many contributions that will be made available for Parties' reference.