

Durban Platform: Operationalising equity in the new agreement

Geneva, 20 March (Alejandro Rafa) – A very interesting exchange took place among Parties on how to operationalise equity in the 2015 agreement under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).

This exchange took place on Thursday, 13 March in Bonn, Germany, in an open-ended consultation on the issue of 'Equity and ambition.' The ADP under the United Nations Framework Convention on Climate Change (UNFCCC) met on 10-14 March for its most recent session.

India emphasised the importance of the historical responsibility of developed countries in terms of their cumulative emissions (of greenhouse gases) that provide the basic rationale for developed countries to take the lead on mitigation actions and to ensure equity. This was also echoed by China and Kuwait.

India further stressed that equity rejects any notion that ambition levels in the post-2015 period should be decided solely on whether a country has financial resources or not, or on the basis of 'respective capabilities'.

Many developing countries also emphasised the need for the provision of finance and technology transfer in order to allow them to choose low-carbon development pathways.

China, India and the Alliance of Small Island States (AOSIS) highlighted the importance of pre-2020 action as a foundation for a future agreement that was ambitious and equitable.

Parties also offered a variety of views of whether and how the intended nationally determined contributions (NDCs) should be assessed, reviewed or ratcheted, with respect to science and equity.

The ADP was co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Artur Runge-Metzger (the European Union). Kumarsingh began the

consultation by asking Parties to identify how to raise ambition over time in a way that is fair and keeps in line with the 2 degree C or 1.5 degree C goal. He said that the operationalising of equity was important for a fair result for all Parties. He noted that some Parties proposed a framework or process of considering ambition whilst others want a specifically science-based approach. He said that considerations were to be guided by the Convention and the question was how equity, common but differentiated responsibilities and respective capabilities (CBDR-RC) could be included and applied and the Co-chairs were looking for views on how to apply them in a post-2020 world.

He also hoped that the upcoming report of the Intergovernmental Panel on Climate Change (IPCC) would inform future discussions. He asked Parties to focus on two questions: how could the 2015 agreement facilitate an increase in the collective level of ambition toward the objective of the Convention; and what could that possible agreement be comprised of.

India said that although Parties may have different views on equity, the Convention is clear and the outcome in 2015 will be under the Convention. It said that the historical responsibility of developed countries in terms of their cumulative emissions provides the basic rationale for developed countries to take the lead on mitigation actions and ensure equity. Given the wide gulf in the per capita income and expenditure between developed and developing countries, it is only desirable that the 2015 arrangements must ensure that Annex 1 and Annex II Parties take the lead and shoulder the major burden on climate change.

It said that equity was important to developing countries as they were struggling to provide the basic minimum needs to their citizens such as food, shelter, education, housing, health and energy access.

It said that developing countries need space for development, given their needs. It reminded Parties that although countries like India have voluntarily taken steps to address climate change, its overriding priority is inclusive development and poverty eradication.

India then outlined how equity is currently reflected in the provisions of the Convention, beginning with Article 3.1 of the Convention which expressly states that equity and CBDR and RC have to be the basis of all actions to protect the climate system. 'Equity' is also manifested in the manner in which obligations and responsibilities of Annex I and Non-Annex I country Parties, have been 'differentiated' including by:

- Article 3.1 (developed countries should take the lead in combating climate change and adverse effects thereof);
- Articles 3.2 (give full consideration to special needs and circumstances of developing countries);
- Article 3.4 (right to sustainable development);
- Article 3.5 (sustainable economic growth and development, particularly in developing countries);
- Article 4.1 (commitments of Parties taking into account CBDR and national development priorities);
- Article 4.2 (special commitments of Annex I Parties);
- Article 4.3 to 4.5 (provision of means of implementation by developed countries to developing countries);
- Article 4.7 (makes the implementation of commitments by developing countries contingent upon provision of means of implementation by developed countries and overriding priorities of economic and social development and poverty eradication);
- Article 4.8 (special consideration of SIDs and geographically vulnerable countries) and
- Article 4.9 (special consideration of LDCs).

It emphasised that if Parties do not meet their commitments in the pre-2020 period, then equity in the post-2020 period will be seriously hampered. The impact of low ambition in the pre-2020 period on the principle of equity in the post-2020 period is direct and unambiguous.

Equity rejects any notion that ambition levels in the post-2015 period should be decided solely on whether a country has financial resources or not - in other words, it should not be decided solely on

respective capabilities. That would be again, a misreading of the Convention, stressed India. Consequently, it argued that any structure in the future, which results in merely transferring the commitment of developed countries to developing countries in the post-2020 period, is unacceptable since it militates against equity, as provided for in the Convention itself.

It warned that attempts to distribute the filling of the 'so-called ambition gap' to all Parties would effectively reinforce the "common responsibility" aspect of the Convention and not the "differentiated responsibility." This negates the leadership of developed countries that the Convention demands and this is not what equity demands under the Convention. It continued that if the developed countries truly respect equity, they should raise their ambitions to fill the ambition gap. This has not happened so far in the pre-2020 period and this has made it even more difficult for developing countries to accept any such framework or structure to redistribute commitments which the developed countries have failed to meet in the pre-2020 period.

It concluded that although some Parties are implying that since the post 2020 arrangements are to apply to all Parties, the principle of equity and CBDR no longer applies or that it be dynamically applied according to respective capabilities. This simply does not stand to reason. The Convention without equity would be a contradiction in terms. It challenged the notion that equity is an impediment to raising or reaching higher ambition for mitigation. It said that often, India's call for respect for equity in negotiations is seen as hesitation to act, but that it wanted to emphatically dispel this notion. It said that equity is not an impediment to ambition; in fact, it is a key enabler to incentivizing action by all Parties.

China said that it is understood that the anthropogenic cumulative emission (of greenhouse gases) is the reason of climate change. This means that we need to protect climate system via reforming socioeconomic system where we invest, consume, and conduct trade, in certain patterns and style; where fossil fuels serve as a fundamental input of our economies; where growth and development are the central motivation for the socioeconomic strategies and policies.

In developing countries, poverty reduction and living standard improvement are still the top priority for their development strategy and policies. This refers to adequate nutrition and food security, safe drinking water, essential housing, convenient mobility, access to electricity and modern infrastructure, as well as

education and health care. Under the conventional development path, this implies huge increase of energy use and emissions. As climate negotiators, the obligation here is to make people in different living standards come to the same page in understanding equity and share the same value judgment as our moral or ethical basis.

Equity is about opportunity for developing countries to have access to sustainable development. This was recognized in the Cancun decision (of the UNFCCC Conference of Parties) which must also be reflected in the 2015 agreement. It asked if the agreement will provide for more opportunities and be helpful for developing countries to shift into low carbon and sustainable development paths. Equity is also about protecting the climate as a common global public good via innovation of the development path for both developed and developing countries via collective efforts.

It asked if the 2015 agreement will recognize the difference between developed and developing countries in terms of historical responsibility and capabilities, as well as their prioritized objectives. Will the agreement pay adequate attention to the development of developing countries and reflect their circumstances and capacity? Will it reflect the developed countries' leading role in mitigation and support developing countries based on historical responsibility and their capacity and advantage?

It believed that the Convention has provided the answers. The principles and provisions reflect the request for equity. It reminded Parties that the Convention and its principles, such as CBDR, were based on science, as cumulative emissions are a scientific fact. China said that developed countries have the majority of responsibility since the industrial revolution with 70% of the cumulative emissions with only 20% of the population.

It said that the real driver of the current trajectory of emissions is the development path which the North diffuses and multiplies with conventional technologies, production and lifestyles via international trade and investment in the context of globalization and their dominant role. There are two options for developing countries – 'go to 20 tonnes per capita like developed countries' or 'go to a low carbon pathway.' China said that to find a low carbon pathway, developing countries need support and cooperation. It asked how, without 'talking about technology and finance, can we shift to that path?'

To operationalize equity, the issue is how to operationalize the principles and provisions of the Convention and reflect them in all the elements of

the 2015 agreement. In this regard, it said this can be done in the following way:

- As regards mitigation, the north takes the lead and play demonstrative roles; the south explores innovation of their development path with support;
- In adaptation, the strong support from the north to developing countries, especially the most vulnerable groups of people;
- In relation to technologies, there needs to be timely and significant transfer; reform of the intellectual property system for protecting climate as global public goods; and
- On finance, there is need to ensure adequate public finance available to create a basic enabling environment to leverage and incentivize private finance, rather than just leave the issues to the market.

It warned that if technology transfer is not made possible, then developing countries cannot change their pathway and this will lock-in existing technologies. Similarly, finance is the most important issue to judge if the new agreement will be effective.

On procedural equity in the process, China concluded that there is need for transparency and wide participation. Whether a country is rich or poor all Parties should have the full right and opportunity to access decision-making processes. It said this is why it was calling for a 'Party-driven process' (*see TWN Bonn News Update #4: Durban Platform – Agreement to advance work in contact group*).

Kuwait concurred with India, especially in emphasising that equity is not an impediment but an enabler. It said that both equity and ambition are very key and proposed a separate slot focused on this issue. It said equity was defined in the Convention, including its preamble, structure, Articles 3 and 4 and the articles on reporting. It said the 2015 outcome must better implement these. It said that to do so, Parties should apply equity to implement distinctions between developed and developing countries, as universality does not mean uniformity. It said the current Annexes must remain and that ambition on all the elements must be enhanced. It asked for two questions to be resolved: how can differentiation in the 2015 agreed outcome be ensured and implemented and how will connections between equity and historical responsibility be elaborated in the agreed outcome? It concluded by recommending a civil society proposal, "A Vision for Equity" as having potential for informing how to operationalise equity.

Tuvalu on behalf of **Least Developed Countries (LDCs)** reaffirmed that all the principles of the Convention, particularly equity and CBDR-RC were fundamental. It said that the emission of greenhouse gases was, and is, unevenly distributed. Parties also possess different levels of capacity and so Parties needed to consider capacities and resources. It concluded that given the enormous threats and risks to LDCs, all must take bold action, based on CBDR-RC. It said both measurement, reporting and verification (MRV) and a review were necessary with an 'effective compliance mechanism incorporated.'

Nauru for **AOSIS** said that ambition was fundamental as for many survival is at stake. It said that the special circumstances of the SIDs needed to be recognised. It reminded Parties that a successful agreement rests on the foundation of action in the pre-2020 period. This meant increasing 2020 commitments and providing finance and technology to developing countries to increase their actions. It said that in the 2020 agreement historical responsibility must be reflected in contributions with all Parties contributing and some requiring support. It said there should be a means to assess the aggregate of commitments against the 1.5 degree C goal. It also called for an ongoing process to improve contributions over time.

South Africa said there was a need for a multilateral rules-based system. This would require operationalising principles of fairness and reconciling Parties' historical responsibility, capability, and development needs. It reiterated to Parties that inadequate efforts increase adaptation. It emphasised the use of 'phases' to strengthen the multilateral system in order to assess whether contributions are adequate in terms of what is required and fair depending on historical responsibility, capability and access to sustainable development. This would then allow a focus on differentiation of ambition rather than structure. It called for a both ex-ante and ex-post review.

It proposed a matrix of historical responsibility, capability and development need, to envelop mitigation, adaptation and the provision of the means of implementation. This would allow for a holistic assessment of Parties' contributions. It reiterated that all Parties should act with those with greater historical responsibility and capability having a minimum threshold for their commitments.

It called for Parties in Lima (the venue of this year's meeting of the UNFCCC Conference of Parties) to define the information to submit which must include science and fairness and therefore clarity on why they

think it is both ambitious and fair given particular circumstances, or, why it represents the highest level of ambition that they can put forward. It said that the process must be reflected in the agreement, based on science and fairness otherwise if Parties' commitments are merely inscribed without assessment then we will receive a wholly bottom-up regime with no consideration of the demands of science and fairness. It said that its Equity Reference Framework could play a determinative role that could lead to an upward adjustment post assessment and that there were many existing rules that could be built on to do this.

Saudi Arabia associated with India, Kuwait, and China. It said that all Parties had the right to develop on the basis of equity. It said that ambition requires a win-win solution for developing countries across all aspects of sustainable development (social, economic, and environmental). It said the second basis was the need to consider vulnerabilities. It said just as there are some synergies such as between adaptation and mitigation, the synergy between equity and ambition results in leadership.

Bangladesh said that equity, fairness and science should guide Parties and referred to CBDR-RC as enshrined in our Convention. It said that it was concerned that applying historical responsibility alone may require less of Switzerland (see Swiss response below) - than if its capability was also considered - and so these 'pitfalls' of CBDR needed to be considered. It said the right to sustainable development should not compromise the right to survival. It added that markets should be included in the future agreement but said the focus should be on how Parties close the gap. It said the answer was huge technology transfer and capacity building. It concluded that for a low carbon pathway, there needs to be a huge amount of support.

Guatemala on behalf of the **Independent Alliance for Latin America and the Caribbean (AILAC)** said that 'the principles of the Convention are the basis of work and that AILAC had been leading by example. It expected Parties to raise the level of ambition and that even though each country's contribution will be nationally determined, they must be assessed in a multilateral rules-based system.

The **European Union** said that to achieve the 2 degree C objective, it was not enough to have MRV, a ratcheting process and a review; but also an 'upfront process' was necessary. It said this should be agreed to by Lima, as per the Warsaw decision (of 2013). It said that a part of the information Parties needed to provide should include a contextual

element discussing national circumstances as well as showing why the contribution was ambitious and fair. It suggested there could be a balance of indicators used for this consideration.

It continued to say that in order to ‘ensure aggregate ambition’ an international process was ‘needed to get clarity on proposed commitments so that they can be assessed against the 2 degree C objective, taking into account the national circumstances provided.’ It said the process should not be prescriptive but ‘transparent and facilitative’ to allow comparison of contributions based on science and considering the evolving sense of responsibility and capability. It said that this would then allow for a review and a ‘raising’ of the contributions through the year moving toward Paris (venue of the 2015 meeting of the Conference of Parties).

It saw the future agreement as being legally binding on all, but varied based on past, current and future capability. It said the agreement needed to endure well beyond 2020 and should be flexible, dynamic, and robust, allowing for regular assessment and upward adjustment. It said this position was supported by AOSIS and AILAC. It said the design of this process needed to be elaborated, and that it was interested in the African Group proposal on the subject. It said that for the agreement to work in a

cost-effective manner, carbon markets will be central with access available to Parties who adhere to the MRV and accounting requirements. It also noted a lack of progress on such rules in this process (in the discussion at the Subsidiary Body on Scientific and Technological Advice of a new market mechanism and a framework for various approaches) noted the implications that might have.

Switzerland began by saying it would use ‘commitment’ instead of ‘contribution’ as that is what is expected in relation to the NDCs from Parties. It said that relying on historical responsibility in the context of the provision of the means of implementation would not be equitable. It said Switzerland did not have much historical responsibility in terms of emissions, but it still contributed to providing the means of implementation. It said that equity should be addressed in the process and anchoring of the information of NDCs with clarity, transparency and understanding. This meant understanding how much a reduction was proposed and understanding whether NDCs add up to the common objective. This would require ex-ante information, to understand the effort behind each commitment. It said transparent and common rules of the Convention should be embedded in a process to understand NDCs.