

ADP: Parties divided over African Group's finance proposal versus Co-chairs' non-paper

Lima, 8 Dec. (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 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 **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 to 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 the African Group CRP were **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 crystallizing an output for the finance decision,” said **Indonesia**, and sought clarification on how the work of the ADP would be organized 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 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 operationalize 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 recognized 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)