

The negotiating platforms at Peru

Different bodies are mandated to negotiate for different elements under the United Nations Framework Convention on Climate Change (UNFCCC). Some of the negotiating platforms relevant to the topic are discussed below.

Ad Hoc Working Group under Durban Platform (ADP)

At the Conference of Parties (COP) 17 in Durban, South Africa, in 2011, the Parties agreed to establish a new working group under the United Nations Framework Convention on Climate Change (UNFCCC). Accordingly, the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) was formed. Under the ADP, the following two work streams were established:

Work stream 1: The agenda of the Work stream I is to negotiate a new global climate agreement with commitments for all Parties in the form of a protocol. The protocol would be a legal instrument or an agreed outcome with legal force which is to be adopted in 2015 and entered into force in 2020. Parties are working to frame this new protocol according to the original

principles of the UNFCCC, the global climate regime to address climate change.

Work stream 2: The agenda for Work stream II is to establish a work plan on enhancing mitigation ambition to identify and to explore options for a range of actions that can close the ambition gap, which exists between current pledges and the goal of keeping the increase in global temperature below 2 degrees. Up to 2020 a gap of 8-12 gigatonne CO₂-equivalents exists between current pledges and what is needed to achieve the 2 degree objective (Danish Ministry, 2014). The aim of the work plan is to ensure the highest possible mitigation efforts by all Parties.

Intended Nationally Determined Contributions

In preparation for the 2015 Paris Summit, the countries at CoP 19 Summit in Warsaw agreed to come up with their national contributions determined by national circumstances, which was called 'Intended Nationally Determined Contributions (INDC)'. These are not commitments and are only what countries 'intend' to do.

Basic principles of the UNFCCC

Article 3 of UNFCCC highlights the principles of the document as the following:

- Equity and Common but Differentiated Responsibility and Respective Capability (CBDRRC): The Convention recognises that developed countries should lead in combating climate change. Accordingly, countries are divided broadly into Annex I (representing the developed world and Non-Annex I (representing the developing world), with disproportionate responsibilities for both groups.
- The developed world to help and support the developing countries in their efforts to address climate change
- The climate change regime to be a rule-based and multilateral regime
- All Parties to adopt measures and policies towards sustainable development

Ex-ante information for INDCs

Ex-ante information for INDC refers to the upfront or basic information underpinning the countries' INDC *in advance* of the Paris Summit 2015. This upfront information could include sectors covered under INDC, emission factors, methodology applied etc.

Ex-post review of INDC

Ex-post review of INDCs refers to the international review and evaluation of countries' individual INDCs which are approved and incorporated as Nationally Determined Contributions (NDCs) in the final agreement signed in Paris 2015.

Outcomes of the ADP in Bonn 2014

The second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action was held in Bonn, Germany, in June 2014. Parties herein:

- reaffirmed that they will submit their INDC which would be in accordance with their national circumstances. It was clarified that these contributions would not be restricted to mitigation.
- agreed to have a contact group and identified its core objectives
 - a) to further elaborate the elements for a draft negotiating text of the 2015 agreement
 - b) to make significant progress towards identification of the information that Parties will provide when putting forward their INDC
 - c) to advance the work on pre-2020 ambition through:
 - (i) stimulating action on the ground in order to close the ambition gap
 - (ii) developing a common understanding of the options for making further progress on this work
- The secretariat organized a forum on experiences and best practices of cities and sub-national authorities in relation to adaptation and mitigation.

The Kyoto Protocol

In the UNFCCC document, there is no mention of mandatory requirements for the Parties to the Convention to reduce their emissions. As a result, the Kyoto Protocol was signed in 1997 in Kyoto, Japan. It is a legally binding agreement under UNFCCC which sets specific targets for industrialised countries to reduce their carbon emissions and non-binding initiatives on the part of developing nations towards sustainable developments. Although it was signed in 1997, the Kyoto Protocol came into force in 2005. The US refused to be part of the Protocol.

The first commitment period of the Kyoto Protocol (2008-12)

During the first commitment period (2008-2012), 37 industrialised countries and the European Community committed to reducing greenhouse gas (GHG) emissions by an average of 5 per cent against 1990 levels. For example, the EU committed itself to reducing emissions by 8 per cent and Japan to reducing their emissions by 6 per cent.

The second commitment period of Kyoto Protocol (2013-20)

Since the first commitment period of the Kyoto Protocol was to expire in December 2012 and the next Protocol would come into force only in 2020, there would have been a gap of almost eight years in which there would be no legal instrument which could direct countries in reducing their emissions. Therefore, to maintain continuity of the Kyoto Protocol, a second commitment period covering the period from 1 January 1, 2013, to December 31, 2020, was proposed by the Parties. At CoP18 in Doha, Qatar, in December 2012, the Parties reached an agreement on the adoption of a second commitment period with reduction commitments for 2013-20. This outcome was called the Doha Amendment to the Kyoto Protocol. The Amendment includes new commitments for industrialised countries' targets and a revised list of GHG to be reported by the Parties.

Accordingly, the Parties committed to reduce GHG emissions by at least 18 per cent below 1990 levels in the eight-year period from 2013 to 2020. It is important to note that Canada, Russia, Japan and New Zealand, all of whom had commitments under the first commitment period, decided not to be part of the second commitment period.

Current status

The second commitment period still needs ratification so that it comes into force. To date, 18 Parties have accepted the extension and 144 are required to bring it into force. The Secretariat has called upon all parties to ensure the ratification of the Doha Amendment by the eleventh session of the Conference of the Meetings of Parties (CMP) to be held in Paris 2015.

Green Climate Fund

As part of the outcomes of the Cancun summit in 2010 called the 'Cancun Agreements', the Green Climate Fund (GCF) was adopted. Its design was agreed to during the 2011 COP in Durban, South Africa. The GCF serves to help developing countries with their efforts to address climate change. The Durban negotiating text states that the GCF is to be accountable to and function under the guidance of the Conference of Parties (COP). The GCF opened a secretariat last year in South Korea. At Barbados meeting in mid-October 2014, several institutional agreements were inked and it was announced that the Fund was ready to receive money.

Current challenges concerning GCF

- **Operationalisation of the GCF:** The GCF is not yet operational. Currently, a starting capital of \$10

billion is aimed for, much of which will have to be achieved at the COP 20 by Peru, 2014. So far, 10 countries have pledged \$2.3 billion to the fund. According to aid charity Oxfam, a 'fair share' would amount to the US contributing \$4.8 billion and the EU committing \$6 billion.

- Sources of funding and their proportions are still not clearly defined. There is also little clarity on how the Fund will disburse money and what it will invest in.
- Developing nations need to establish more institutional mechanisms to manage and monitor their GCF-funded projects for better accountability and transparency.
- Climate finance needs to integrate with development priorities so that priorities can be set more at the country level and below.

Cancun Adaptation Framework (CAF)

Many steps have been taken for the formulation of the Adaptation regime under the UNFCCC, the most recent being the Cancun Adaptation Framework (CAF) in 2010 under Cancun Agreements.

Activities under the CAF relate to the following five clusters: implementation, including a process to enable Least Development Countries (LDC) Parties to formulate and implement national adaptation plans (NAPs), and a work programme to consider approaches to address loss and damage; support; institutions, including the establishment of an Adaptation Committee at the global level, as well as regional and national level arrangements; principles; and stakeholder engagement.

Challenge

The major challenge is to assist the particularly vulnerable to adapt to the inevitable impacts of climate change by taking a coordinated approach to adaptation.

Adaptation Fund

The Adaptation Fund has piloted new approaches to delivering climate finance. The Fund is partly capitalised through a 2 per cent levy on the Clean Development Mechanism and other funding sources such as donations from Annex 1 countries.

Current issues

1. Lack of funds

The 149 developing-country parties to the Kyoto Protocol are eligible to access the Adaptation Fund. This has presented a substantial challenge in allocating funding as there are insufficient resources available to support impactful programmes in all eligible countries.

2. Criteria for distribution of funds

While efforts were made to agree to a set of criteria to ensure a focus on the needs of the most vulnerable, these proved politically contentious and ultimately intractable, particularly in the absence of global agreement on the factors that make countries vulnerable. As a result, resource distribution has been more ad hoc and driven by the readiness of countries to submit credible proposals for approval. In practice allocation has been made on a first-come-first-served basis. However, the amount of funding that a country can receive is currently capped at USD 10 million in order to ensure more equitable distribution of funding country.¹

3. Future of Adaptation Fund

With the future of carbon markets uncertain, and now that there is competition from the GCF which also is dependent on voluntary contributions from developed countries, it remains to be seen what the sources of funding will be and how much resources will be available to support the objectives of the Adaptation Fund in the coming years.

Warsaw Framework on REDD-plus

Reducing Emissions from Deforestation and Forest Degradation (REDD) was incorporated into the COP agenda at the Summit in Montreal in 2005. Following that, the Bali Road Map in 2007 laid the foundation for REDD-plus as a major mitigation strategy. The following elements formed part of the REDD-plus:

- (a) Reducing emissions from deforestation
- (b) Reducing emissions from forest degradation
- (c) Conservation of forest carbon stocks
- (d) Sustainable management of forest
- (e) Enhancement of forest carbon stocks

Seven key decisions regarding REDD-plus were taken in the Warsaw Summit 2013 under the Warsaw Framework for REDD-plus, which included financing of REDD from multiple sources, including GCF, calling for assigning national signatories in developing countries to deal directly with the GCF bodies, guidelines for countries to submit their forest emissions, and monitoring and regulating activities and projects undertaken in developing nations.

Key issues with REDD-plus

- Even if deforestation is avoided at one place, it could be happening at the same time elsewhere
- Preventing deforestation to conserve carbon is not a permanent solution. Trees have a life after which carbon will eventually be released into the atmosphere.

- Measuring the amount of carbon stored in the forests is a cumbersome calculation prone to errors
- Protecting the rights of indigenous communities over forests is also a challenge
- The main body to fund REDD-plus is identified as GCF, which is still not a functional body

What is on the table for Peru?

The expectations for the Peru climate summit for other countries can be well gauged from the submissions made to the ADP in the October session by various Parties. Highlights of the expectations from some major Parties and groups in the following points are for the upcoming summit in Peru and for the climate agreement to be signed in Paris 2015.

The individual submissions of the groups/countries indicate some major differences between the developed and developing nations. For example, while the developing and poor nations like China, India, LDCs and the African group demand countries' differentiation into annexes based on the original principles of the Convention, developed countries like the US and the EU want a dilution of this principle citing current emission trends where developing nations pollute the environment more than the developed world.

While the developed countries have focussed more on the nature of the INDC with mitigation being the central element, developing countries focus more on the elements of finance and adaptation. The developed countries have been very reluctant to give funds and grants to developing nations. Near empty GCF and Adaptation Fund confirm this fact. Nevertheless, the developing nations on their part have insisted on enhanced funding and immediate operationalisation of the GCF. On Adaptation, while the developing nations want it to be treated at par with mitigation, the developed nations insist on adaptation being focussed more at national and sub-national levels.

The European Union

The submissions of the European Union, currently comprising 28 members, pertain mainly to:

INDC

- The EU proposes that the Parties must stick with the timetable set out in Warsaw. Accordingly, they must initiate or intensify domestic preparations of their INDC. The ground and upfront information must be agreed on at Peru and parties must come forward with their INDC in the first quarter of 2015. The upfront information would make sure that the INDC are measurable and quantifiable.
- The upfront information should explain INDC,

including type of sectors included, base year of evaluation and metrics used. Parties should be able to explain the ambition and fairness of its INDC.

- Lima should deliver at the latest draft elements of a negotiating text and agreeing requirements for upfront information in relation to INDC.
- Parties with the greatest responsibilities and capabilities should come forward with INDC in the form of economy-wide absolute targets relative to a historical base year.
- INDC should be included in the 2015 Agreement as mitigation commitments which are legally binding.

Requirement of a pre-COP-21 process

- This process, informed by science and evidence, should be held well ahead of the Paris summit in 2015 and should evaluate INDC in light of their fairness and ambition and whether they add up to the 2 degree C target to prevent unequivocal global warming.
- The nature of the 2015 Agreement should be multilateral, rule-based and a legally binding regime.

There should be a proper compliance mechanism that would facilitate the implementation of the Parties' commitments.

The United States

- Parties must stick to the deadline of the Warsaw outcome on INDC and there must be sufficient time between submission of INDC and COP-21 scheduled at Paris.
- In Peru, Parties should come up with basic information on INDCs at Lima which should include base year, coverage in terms of sectors and GHG emissions, expected use of market mechanisms and intended accounting approaches for land sectors.
- Mitigation efforts on REDD-plus are important steps and should be part of INDCs.
- The drafting text of the 2015 Agreement should start at Peru and should not be based on the 1992-era of bifurcated approach of developed and developing countries but should reflect current emission trends and scenarios.
- It 'assumes' that the new commitments would be internationally legally binding.
- Parties must pay more focus on 'enabling environments' for developing countries in terms of finance, technology transfer and capacity-building.
- A Party would need to submit its schedule of implementation of NDCs upon joining the agreement and would also submit the periodic report of the implementation.

BASIC group

- There is no collective BASIC submission to the ADP. However, the high-level ministerial climate meeting held in New Delhi in August 2014, resulting in a joint statement, gave a good insight of what this club aims for Peru and beyond.
- BASIC aspires that the new climate agreement should clearly reflect the principles of Framework Convention, in particular the principles of Equity and Common but Differentiated Responsibilities and Respective Capabilities.
- The differentiation of the countries into Annexes which reflects the differentiation between developed and developing nations shall continue to remain relevant in the post-2020 Agreement.
- Developed countries should honour their responsibility of finance, technology-transfer and capacity-building in developing countries. In this regard, developed countries should scale up the financial commitments with a clear road map in order to achieve the goal of \$100 billion US dollars per year by 2020.
- Obstacles like Intellectual Property Rights (IPR) must be addressed while dealing with technology transfer.
- Developing countries on their part should agree to resort to new programmes and projects towards low carbon growth in accordance with specific needs and special circumstances of developing country.
- Second commitment period of the Kyoto Protocol for pre-2020 ambition should urgently be ratified in Peru. This should also witness scaled-up mitigation and financial commitments.

New Zealand

New Zealand propositions are currently gaining popularity in diplomatic and political circles, particularly because of their clear charting out of work plan towards the future climate Agreement.

Accordingly, New Zealand proposes:

- Parties should provide in Lima basic upfront information of their INDC, which should comprise the sectors covered and metrics for its quantification (including baseline or base year).
- There must be proper rules for implementation and accounting of INDC for which parties need to have clarity of before committing to their INDC. Till that happens, INDC can be tabled as provisional INDC.
- the recognition that *mitigation* is central to the final agreement. The INDC should convey what individual parties are capable of without

AOSIS-Alliance of Small Island States

The group established in 1990 comprises island and coastal low-lying countries, including the Bahamas, Haiti, Cuba, Fiji, Singapore and Maldives, among others. Owing to their vulnerability to the impacts of climate change, the group has been very vocal on the necessity of taking urgent steps to address climate change. The steps proposed include:

- focus on the need to have technical and collaborative solutions that can identify and explore a range of options that can close the ambition gap between current efforts and what is required and can ensure the highest possible mitigation efforts by all parties
- enhanced focus on adaptation and support from

Peru's expectations

The host country for this year's COP is Peru. Its expectations can be summed up as follows:

- to make sure that the new climate agreement is in accordance with the original principles of Convention, i.e. equity, CBDRRC and universal applicability
- to determine all that should come under national contributions by Parties
- Substantive mobilisation of capital for the GCF which will be an important signal for the entire negotiation process. GCF must be capitalized and strong political will is required in this regard.
- Swift process of ratification of the second commitment period of the Kyoto Protocol.

relying on yet-to-come secured finance.

- that parties must have full clarity of their individual INDC. Three pieces of information are necessary in ensuring this: coverage of their contribution with regard to their overall emissions profile, macro-economic and abatement costs of the contribution and a supporting narrative which explains why such a contribution is the most ambitious one given the national circumstances.
- a consultative process the objective of which is to basically allow Parties to have a clear understanding of what every INDC means, to assess their own INDC and can upscale their contributions if required and encourage others who have not been able to do table their own contributions.
- that such process will also determine the aggregate value of every INDC
- New Zealand also invites Parties to use a template or checklist to submit their INDCs.

developed countries to help in the formulation of the National Adaptation Plans (NAP) and their implementation

- scaling up of efforts by developed countries in all four agreed outcomes of the Bali Action Plan, that is mitigation, finance, technology transfer and capacity building
- the Technical Expert Meetings (TEM) under ADP be made more effective for better cooperation and coordination between Parties
- annual COP ministerial/high-level sessions on enhancing mitigation action, beginning from Peru summit

Potential issues with New Zealand's proposal

- The proposal that countries must not rely on yet-to-secure finance for tabling their contributions largely leaves developed countries walking away from their responsibility to provide for finance and developing countries making efforts to address climate change by themselves
- Rather than focusing on abatement costs as determinant of INDC as proposed by New Zealand, other established factors like historical responsibility, per capita emissions and Human Development Index (HDI) must be determinants of INDC.

Russia

- Russia proposes that the new climate agreement must adhere to all agreed principles of UNFCCC. The static division of countries in the old document must be avoided.
- The commitment period must be 10 years, that is 2020-30 in order to have enough room and the year 1990 should be taken as baseline.
- The financial mechanism under UNFCCC must serve for the new agreement as well.
- Existing subsidiary bodies should serve the new agreement in the same way as in the UNFCCC structure.

Japan

- Japan lays great emphasis on the 'applicable to all' phrase of the new climate Agreement.
- It believes that the core Agreement should be simple and durable. In the core Agreement, all Parties are:
 - obliged to submit their INDC
 - obliged to be subject to ex ante consultation of INDC and ex post review of implementation of NDCs
 - encouraged to integrate adaptation into their national strategies and programme processes.

Thus, it agrees for an ex ante consultative and review process.

- The INDC themselves should not be legally binding even though their submission should be a legal obligation.
- To make the INDC easily quantifiable, certain basic information should be provided such as the base year, sectors covered, policies and measures.
- The purpose of ex ante consultation is to promote transparency, clarity and comparability of the INDC.
- Ex post review of implementation of NDC should be provided. Japan recommends a time period of 10 years.
- Adaptation should be integrated in national policies. NWP and the Cancun Adaptation Framework are useful platforms to further the knowledge.

The African Group

- The Group holds great importance in capacity building, views it as cross-cutting in nature and proposes that there should be a clear linkage between capacity building and other mechanisms of the convention, such as Adaptation, Mitigation, Finance and Technology, which should be reflected in 2015 Agreement.
- The group proposes the establishment of a permanent Capacity Building Committee under the convention, which can address measurement, reporting and verification of support received for capacity building and which can have a provision for assessment for effectiveness of capacity building. The institutional arrangement can begin at the earliest in order to have a smooth implementation process.
- On Finance, the African Group calls for a coordinated and collective approach on how to meet US\$100 billion by 2020. For this target, the indicative resources should be around \$32 billion in 2014 and \$44 billion by 2015.
- The Group believes that it is important that the level of action by developing countries is related to the level of support by developed countries.
- Financial resources should be predictable, sustainable and adequate and be based on criteria, meaning that each continent should get its finance in line with the challenges that it is facing.
- Regarding the INDC, the group demands full costs of preparation of developing countries' INDC and their reporting should be covered.
- The Group calls for a need to integrate means of implementation in all INDC provided by the parties.
- Developed countries should provide full

Non-paper text of ADP co-chairs regarding INDCs submissions

The text of this Non-Paper includes the steps of the submissions of national contributions. These are:

Communication

Parties communicate their INDC which is submitted on the UNFCCC website.

Ex ante process or consultations

- Secretariat to 'compile' a technical paper assessing the effect of all contributions, the level of ambition, fairness and the emission gap
- Parties may voluntarily increase their commitments and know about other countries' INDC

Formalising/inscription

- Contributions/commitments in to be

formalised/inscribed in a legal manner

- Contributions/commitments to be finally inscribed upon ratification

Review

- To ensure that contributions/ commitments are adequate and are increased over time
- Review would be based on science and applicable to all Parties

Compliance

- To facilitate and promote implementation of international commitments by all Parties
- Such process will be based on climate justice and be consultative and facilitative. It shall also ensure transparency and comparability of efforts

information of its scale, types and channels of climate finance while developing countries should provide their means of implementation to achieve their INDC.

- On Mitigation, the group proposes absolute and economy-wide emissions for developed countries and relative emission reduction for the developing countries.
- It proposes quantification of global carbon budget and suggests an ex ante process for assessment of adequacy of contributions and also for review of available support to developing countries.

LDC (Least Developed Countries)

This is a group of 50 poor and vulnerable to climate change countries. It includes countries like Nepal, Bangladesh, Afghanistan, Ethiopia and Chad, among others. Their expectations are highlighted as follows:

- The group calls for strong political will to address climate change which is evidently missing. LDCs believe that the INDC are the first step for mitigation commitments by Parties. Therefore there should be

a clear understanding of what INDC should entail.

- The Lima Summit must also focus on how to progress discussion other than mitigation, how to include loss and damage in the final agreement, a compliance mechanism for cases where parties do not meet their commitments and a review process to meet the adequacy of aggregate commitments of all Parties.
- The group advocates that the science of climate change should be the foundation for the new climate agreement. Further, climate impacts on most vulnerable countries like LDCs, Small Island Developing States (SIDS) and Africa should form benchmarks for setting emission-reduction targets.
- SIDS and LDC should be allowed to adopt other approaches in terms of their INDC components. This could include climate-resilient low-emission policy development.
- New climate agreement should be based on equity and should include loss and damage, means of implementation mechanism for Parties to carry out their obligations.

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