

### From Durban to Doha

The last conference of the Parties that took place in Durban in 2011 has put climate negotiations at the crossroads again. The decisions taken at Cancun in 2010 supported a bottom-up approach where countries agreed to take on voluntary emission reduction commitments that were not legally binding. This, along with low expectations for the survival of the Kyoto Protocol post-2012 cast serious doubts on the continued role of UNFCCC and the future of a top-down, multilateral approach in climate negotiations.

Durban put such doubts to rest, where an agreement was reached on a second commitment period to the Kyoto Protocol (KP-2) and a decision to agree to a new framework that would bring all countries under its ambit by 2015. On the one hand, Durban re-instilled some faith in the process by carving out a delicate compromise between developed and developing countries in what came to be called the Durban deal. On the other hand, this means that Doha is left with the tough job of stitching up all the cracks that the compromise package left for a later date. This includes a successful transition to a second commitment period, closure of the AWG-LCA track, a decision on how incomplete issues under the track will be carried forward and the operationalisation of

the Green Climate Fund. A total of seven different negotiating tracks will cover the different issues under consideration which is going to make it very challenging for Parties to arrive on multiple decisions within the limited time available.

Ensuring a successful outcome at Doha will require a balancing act between three different issues. Two of them relate to existing agreements, while the third pertains to a new agreement and how parties will transition from the past to the future.

### Kyoto Protocol (KP)

The first issue relates to work being carried out under the AWG-KP (Ad hoc working group on a second commitment period to the Kyoto Protocol): this is focused on what the Kyoto Protocol should do once it completes its first period by the end of 2012. At Durban, the EU played a major role in orchestrating the a deal where it agreed to commit to a second period of the KP in exchange for all countries, including the major developing countries such as India and China, to agree to a new framework starting 2020. Immediately following this, Canada walked out from the Protocol. Japan and Russia have made it clear they do not want to be part of KP-2 and Australia and New Zealand are yet to commit to it. The US, the largest CO<sub>2</sub> emitter, was never a part of it. Even the EU has failed to increase its earlier targets of 20 per cent by 2020 — which it is expected to meet with its existing policies and no additional effort — leaving the KP targets really weak.

The AWG-LCA (Ad hoc working group on Long-term Cooperative Action) was created at Bali to work towards strengthening climate agreements in the long term. The Bali Action Plan (BAP), under which it was created, introduced the concept of comparability of effort with other developed country parties by those not under the Kyoto Protocol. This is particularly relevant to the US which did not ratify the Protocol, but under the BAP will have to take comparable mitigation efforts as other developed country parties.

In Durban, the decision to close the AWG-LCA track by Doha was a last minute proposal which got swept into the pool of decisions that was adopted without much room for negotiation. The LCA track has a range of elements that were agreed to in keeping

### Key abbreviations

AWG-LCA	Ad hoc Working Group on Long-term Cooperative Action under the Convention
AWG-KP	Ad hoc Working Group on further commitments for Annex I Parties under the Kyoto Protocol (AWG-KP)
ADP	Ad Hoc Working Group on the Durban Platform for Enhanced Action
SBSTA	Subsidiary Body for Scientific and Technological Advice
SBI	Subsidiary Body for Implementation
COP	Conference of the Parties
CMP	Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol

with the 2-degree goal. These include shared vision, REDD, new market mechanisms, sectoral approaches which include discussions on aviation and maritime emissions etc. Many of these elements are still being discussed under other tracks and are far from being concluded.

But the US, followed by other developed countries, is keen on closing the LCA, regardless of the level of progress in the different elements. This eagerness shown by developed country parties to shy away from commitments has served to further increase the rift between the developed and

developing country parties; the latter have accused the developed countries of jumping ship from the Durban Platform. Developing countries have argued that the principles of the UNFCCC, which includes the CBDR principle, will have to be the basis of any new agreement.

But before moving on to any new agreement, in order to truly deliver on the balance of the package, they demand that KP-2 should start in January 1, 2013 as promised (without any legal gap between the first and second) and that all the elements under AWG-LCA need to be properly closed.

### Issues under the LCA

A shared vision for long-term cooperative action including a long-term global goal for emissions reductions	Several final text options have been listed on multiple issues, including on context for global goal and peaking year, numbers for a global goal in 2050 and time frame for peaking for developed and developing country parties
Nationally appropriate mitigation commitments or actions by developed country parties	Ongoing process of clarifying developed country parties' mitigation targets until international assessment under review is carried out under SBSTA or SBI
Nationally appropriate mitigation activities by developing country parties (NAMA's)	Continue the process of understanding the diversity of NAMAs up to 2014 under the Subsidiary Bodies
REDD (Reducing Emissions from Deforestation and Forest Degradation in developing countries)	Several text options exist on various issues including but not limited to the acknowledgement of non-carbon benefits and on other enabling conditions needed for implementing REDD projects and on the institutional arrangements and linkages needed; many issues yet to be resolved; may get referred to subsidiary bodies for further work
Cooperative sectoral approaches including emissions under aviation and maritime sectors	Several options have been tabled including one that says sectoral approaches are not appropriate. Under aviation and maritime sectors, proposals that agree at varying levels on sending a signal to ICAO and IMO find mention
Various approaches, including opportunities for using markets (New Market Mechanisms)	Many elements yet to be decided upon – general framework, type of units and tracking mechanism, how it will link to existing market-based measures, governance issues, general modalities and procedures. Technical details to be finalised under SBSTA
Adaptation	Text that acknowledges progress made on adaptation committee, national adaptation plans and loss and damage work program and further establish interlinkages between the adaptation committee and other institutions in technology transfer, finance and capacity building. One option is to have no text at all
Technology Transfer	Relationship between the Technology Executive Committee (TEC) and Climate Technology and Center Network (CTCN) needs to be established to be done through SB's; TEC and CTCN to be operationalised at Doha; Text on Intellectual Property Rights (IPR)
Finance	Takes note of progress made on establishing Green Climate Fund (GCF), operationalisation of Standing Committee and work program on Long Term Finance; link to be established between CoP and GCF and funding between 2012 and 2020 to be filled in

\*The AWG-LCA Chair's informal note can be accessed at [http://unfccc.int/files/adaptation/application/pdf/infomal\\_overview\\_note5sep12.pdf](http://unfccc.int/files/adaptation/application/pdf/infomal_overview_note5sep12.pdf)

### Issues under KP

Several issues that have long been discussed under the AWG-KP have not made much progress since Durban and still remain to be resolved: these include the length of the commitment period, AAUs and eligibility to access carbon credits from the clean development mechanism (CDM). All of them are highly contentious, with the potential to derail progress.

**Length of the 2<sup>nd</sup> commitment period:** Groups, specifically the EU and Alliance of Small Island States (AOSIS), are divided over how long the second commitment period should be. The EU has been pushing for an eight-year period citing reasons of increased synchronicity between its own emissions trading system which has been modeled based on UNFCCC rules. The AOSIS fears a locking in of low ambition levels over such a long period, and is hence pushing for a shorter five-year commitment period, similar to the first phase. Failure to resolve this issue could create cracks in the friendly relationship that the two enjoy, a partnership that was instrumental in influencing the Durban Outcome.

**Hot Air/AAUs:** The issue of 'hot air' remains a hot debate. This refers to the dubious nature of surplus allowances that were given to the erstwhile Soviet countries to reflect the drastic drop in emissions following the Soviet collapse. These allowances, if allowed to be traded in the market in the next phase will significantly undermine the environmental integrity of emissions reductions and can further widen the ambition gap.

**Access to CERS:** This concerns the eligibility of parties to be able to use carbon offsets from CDM projects towards meeting their emission reduction commitments under the UNFCCC. Australia and New Zealand, not surprisingly, want access to them although they may not sign up to KP-2. EU, on the other hand, requires that parties must meet the eligibility requirement of at least being a signatory to the KP-2 in order to be able to use such offsets.

With time running out for countries to get the amendments ratified domestically and meet other domestic legal requirements if needed, some increasingly doubt the possibility of avoiding a legal gap between the first and second commitment periods.

Proper closure of the LCA is expected to be a big issue at Doha. Many issues are still far from being resolved: for example, sectoral approaches and shared vision are expected to be moved to another working group, most likely the ADP or the SBSTA for technical issues, if the LCA should be closed at Doha. The US

and other developed countries want to close all issues regardless of the level of progress made in them. At the Bonn meeting in May, 2012, they suggested taking up just priority issues discussed in Durban to ensure that the LCA closed without failure in Doha. The present chair of the LCA group, Aysar Tayeb from Saudi Arabia, to ensure that each issue gets sufficient time at the Bangkok meeting, drew up a stocktaking document which reflects the exchanges on various topics and possible ways of how issues might be addressed. At the closing plenary of the same meeting, Jonathan Pershing, the lead negotiator for the US rubbished the note along with others such as Australia saying that the note failed to clearly capture the level of progress on many issues. The note itself is 34 pages long and is nowhere near what the final text should be like for a successful closure of AWG-LCA. China said that the mandate of LCA should be extended, and that it should continue its work to reach the agreed outcome.

### The Durban Platform or Ad Hoc Working Group on Enhanced Action under the Durban Platform, (ADP):

ADP, or the Durban Platform as it is called, was asked to come up with a work plan and a design for a framework that includes all countries by 2015. At Bonn, parties spent two weeks wrangling over just what the agenda should be for the platform and who should chair it. Finally, an arrangement was reached which divided the chairing between the different regional groups over the next three years. It was decided that J M Mauskar, former lead negotiator for India and Harald Dovland from Norway, reflecting the annex-I/non-annex-I balance, would jointly chair the sessions for the first year.

While this was seen as crucial for developing countries to ensure that Southern concerns got adequate reflection and space, developed countries fought a long battle to ensure that short-term ambition (between now and 2020) was a separate agenda item, differentiating between commitments prior to 2020 and those beyond 2020. Developing countries argued that the gap in ambition in the pre-2020 period was one that had to be met by developed countries that are a far cry from what is required by IPCC standards. Furthermore, the rightful place to hold this discussion would have to be the AWG-KP or AWG-LCA groups under which developed countries have failed to increase their ambition levels. Also, developing countries are already, through their pledges under the Cancun agreements seen to be doing more than the developed countries.

In Bangkok in September 2012, discussions took

place around two sessions, one that broadly discussed what the post-2020 framework should look like and the other on how to enhance ambition in the pre-2020 period. AOSIS said that there could be no discussion on how to design a new framework unless the ambition gap was first addressed. India and other BASIC countries said that equity needed to be reflected across the board and needs to be the centerpiece of any new agreement. The US called for a more dynamic and flexible approach, one that took into account different national circumstances and one that reflected the evolving economic status of countries.

One concern that came up was the US's questioning of the efficiency of the UN process which was riddled with consensus issues and slow progress. It pointed at action outside this forum – Climate and Clean Air Coalition, Major Economies Forum (MEF) etc — as a case in point. Other developed countries chimed in indicating the higher level of progress such initiatives outside of the UN were making.

### Bridging the ambition gap

How countries will meet the ambition gap — a difference in the amount of emissions reduction needed by 2020 to stay within a 2-degree goal and the amount pledged by countries so far — could be a major area of contention at Doha. Some developing countries, including India have been consistent in saying that this issue falls primarily within the forte of developed countries who should increase their targets to reflect IPCC standards which says at least 25 – 40 per cent reduction from 1990 emissions should be achieved by 2020. Other developing countries such as the LDCs have joined the EU to support a focus on issues as hydro fluorocarbons (HFCs), bunker fuels, REDD+ and fossil fuel subsidies and private-sector finance to address this gap. The LDCs, the EU, Costa Rica, Chile, Colombia and Peru also encouraged those developing countries that have not already done so, to put forward NAMAs (Nationally appropriate mitigation activities). The US has said that there achieving 2°C goal need not be restricted to one approach and voluntary actions which “should not require recognition or approval under the UNFCCC” could be one such approach. In the words of Jonathan Pershing, at one of the roundtables of the ADP, “we have to use every opportunity we can to act.”

This gradual shift away from multilateral efforts under the UNFCCC to voluntary activities outside this forum will be closely watched by many developing countries. There could be a flaring up of tension particularly on the issue of HFCs which India and China have long argued will first need to be addressed by the developed countries. (Refer to the factsheet on HFCs)

### Where will the money come from?

There has not been much movement in the area of finance, a key dimension of the climate negotiations (see Table 1: State of existing funds). The Green Climate Fund was set up in Cancun to fund climate change activities in developing countries. Fast track fund which was supposed to mobilize 30 billion USD and accused of failing on the ‘new and additional funds’ test expires end of 2012. The meeting of the Green Climate Fund finally took place after several months delay in August 2012, primarily to discuss which country will host it. It was announced earlier in the month that the new office will be hosted by South Korea where the pre-CoP meeting was held. But the fund still remains an empty shell and discussions on the arrangements between the Conference of the Parties and the Green Climate Fund have not made much progress, with Australia refusing to have discussions on this under the AWG-LCA at Bangkok. Developing countries want to be sure that the Fund works under the authority and guidance of the Conference of the Parties.

On the other hand, developed countries tried to turn the tables by pointing instead to the significant progress that had been made on the issue of finance and others for which institutions such as the Green Climate Fund, Technology Executive Committee and Adaptation Committee have been set up. This distorts the facts in favor of them since all these institutions still remain empty structures with no functional capabilities.

Developing countries, disappointed over the clear lack of any signs from any of the developed countries to commit to funds post-2012, have demanded that at Doha developed countries will have to commit to funds for the period between 2012 and 2020 so that activities and projects that are being taken up at the ground level do not suffer from a lack of funds. They have also demanded that progress be made on how funds from developed countries should be measured, reported and monitored in the future. However, in the recently concluded meeting of the environmental

**Table 1: State of existing funds**

Fund	Pledged amount (US \$)	Approved amount (US \$)
Fast Start Fund	30 billion	20 billion
Green Climate Fund	0	0
Adaptation Fund	166 million	41 million

**Table 2: Party submissions on how to enhance ambition under the ADP**

	Submission
China	Developed country Parties should take the lead in reducing their emissions by undertaking ambitious mitigation commitments and fulfill their obligations of providing financial resources and transferring technology to developing country Parties in accordance with the principles and provisions of the Convention, in particular the principle of common but differentiated responsibilities.
India	India believes that question of 'the highest possible mitigation efforts by all parties' has to be addressed in the light of the decisions of CoP 16 at Cancun on 'Enhanced action on mitigation' relating to 'nationally appropriate mitigation commitments or actions by developed country parties' and 'nationally appropriate mitigations actions by developing country parties To the extent that the decision, in its preambular recital, makes a reference to the gap between the mitigation pledges until 2020 and emissions pathways consistent with achieving the 2°C goal, the question of ambition in the time frame of 2012-2020 under the Durban platform relates to the commitments of Annex I Parties who have an obligation to take deep and ambitious emission reduction targets consistent with science and the principles of equity and CBDR
EU	Identify and explore options for a range of actions that can close the ambition gap. Of these, complementary initiatives receive repeated mentions - amongst those identified are - addressing emissions from HFC's, aviation and maritime sectors, phasing out fossil fuel subsidies, reducing short-lived climate forcers and enhancing action on REDD+
Gambia (LDC's)	LDCs call on all Parties, in particular Annex I parties to show the political commitment, leadership and willingness to explore a range of options to increase the level of ambition. <ul style="list-style-type: none"> <li>• Call upon Parties to remove fossil fuel subsidies</li> <li>• Encourage all developing country Parties to engage in concerted, global emissions reduction efforts with differentiation for emerging economies, middle income countries, the most vulnerable and the least developed countries based on agreed criteria</li> </ul>
Japan	Consider various types of approaches such as setting targets to increase penetration of best available technologies for major sectors, sharing globally applied efficiency standards on specific products, identifying roadmap of technology development and periodically check the progress could be utilized comprehensively in order to enhance mitigation actions and increase the level of ambition in setting emission reduction targets Support for mitigation actions of developing countries should be seamlessly provided via financial support, technology transfer and support for capacity building. Various approaches, including opportunities for using markets should be further utilized to promote mitigation actions in both developed and developing countries in a cost-effective manner
AOSIS	Supports options identified in the UNEP "bridging the emissions gap report" such as removal of fossil fuel subsidies, addressing emissions from the aviation and maritime sectors, HFC's and short lived climate forcers, to implement pledges by removing conditions on them and removing lenient rules surrounding LULUCF credits
United States of America	Consider how initiatives, programs and activities outside of the Convention can support the objectives of the Convention and deliver scaled-up emission reductions, for example, by: addressing HFC emissions, aviation and maritime emissions under ICAO and IMO, removing subsidies for fossil fuels mobilize private sector investment in clean technology and further enhance mitigation efforts

council of the EU which decided on its stand for Doha, there was still no mention of how much the EU will be pledging. Others such as Japan and Australia have also stayed mum on the issue of new funds beyond 2012.

#### Other Issues

Similar to the Kyoto Protocol, the first phase of the CDM will come to an end and the second one is expected start in 2013. But as has been evident with the price of carbon crashing to a constant low over the past year, parties have been questioning the continued

dominance of the CDM as the largest carbon offset market in the future. Discussions on other market-based measures, called **new market mechanisms** have been under discussions for a while and are currently being discussed under the AWG-LCA. Questions of whether they should follow a model similar to the CDM and how they will relate to the existing mechanisms are yet to be answered. Views of parties at the workshops that took place on this issue differed widely on what the general framework for any new market mechanism should look like - from having

only a UN framework and UN mechanisms as suggested by the AOSIS, to a UN approval for NMM mechanisms from the EU, to having no UN prescription by UN on outside mechanisms put forth by Australia or bilateral arrangements that Japan has been pushing for. Most of the discussion revolved around supply until the delegate from AOSIS pointed out to the elephant in the middle of the room - where the demand will come from. Unless developed countries increased their targets, the resulting low demand will hamper the success of any new market mechanism. The modalities and procedures are not likely to be finalized by Doha and the issue will probably get moved to another body should the LCA close. *(Please refer to fact sheet on New Market*

#### *Mechanisms)*

Not much on the **adaptation** front has taken place and the debate revolves around how much funding should be set apart for adaptation versus mitigation activities. AOSIS and the LDCs groups identified the issue of **loss and damage** as a key issue for them at Doha. A working group was set up at Cancun to discuss several issues including what kind of assessments is needed to estimate loss and damage and which institutions would be most appropriate to address the issue. A final report on several discussions that have happened since will be presented at the CoP in November and parties will then have to decide on the way forward. *(Please refer to fact sheet on Loss and Damage)*

#### References

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- 4) Notes from the Bangkok meeting