

## Developing countries welcome decisions at COP 23, and register concerns over finance issues

Kuala Lumpur, 21 Nov (Jade Chiang and Meena Raman) – Despite the delayed ending of the climate talks at Bonn by nearly a day, developing countries, in welcoming some key decisions adopted at COP 23, also emphatically registered their unhappiness over how the finance issues were addressed at the closing of the climate talks that took place early morning of Saturday, 18 Nov.

They also expressed disappointment over the reluctance of developed country Parties to engage on accelerating action and support in the pre-2020 period.

Parties expressed their remarks and also posted their full statements at the joint closing plenary of the 23<sup>rd</sup> session of the Conference of the Parties (COP23) to the UN Framework Convention on Climate Change (UNFCCC), the 13<sup>th</sup> session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP13) and the second part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA1.2), held a day later than the scheduled closure of the talks. (See TWN Update 17 on decision adopted.)

The joint plenary session was presided over by Fijian Prime Minister, Frank Bainimarama, who was COP 23 President.

The **G77-China** noted that in spite of the good stories coming out of COP23, “the story on financing is not necessarily a happy one”.

It however welcomed several decisions that were delivered at COP 23 that included decisions on furthering work on the Warsaw International Mechanism on Loss and Damage (WIM) including in addressing financial resources for the mechanism; the operationalisation of the local communities and indigenous peoples’ platform through establishment of the ‘Facilitative Working Group;’ a decision on agriculture following years of negotiations to advance

further work, as well as an agreement on the first gender action plan in relation to climate change.

The **African Group** expressed disappointment that developed countries had little appetite to accelerate the pre-2020 actions highlighting the fact that the Doha Amendment to the Kyoto Protocol (KP) has yet to come into force and the means of implementation to developing countries is declining.

Apart from developed countries not living up to their pre-2020 actions, the **Like-minded Developing Countries (LMDC)** expressed caution against the attempt by developed countries to shift responsibilities for climate change actions in the post-2020 period (under the Paris Agreement) more and more to developing countries.

Although the **United States (US)** did not deliver its statement, it uploaded a four-paragraph statement on the UNFCCC website stating that on finance matters, and in particular the US\$100 billion finance goal “is aspirational in nature and is not legally binding, either collectively, or on any Party individually and does not create rights or obligation”. It also stressed that the “financial pledges made by the last administration are not legally-binding”.

### Highlights of closing statements

Representing the **G77-China, Ecuador** said the Group was proud that it had contributed in advancing the textual work on the Paris Work Programme (PWP) towards the implementation of the Paris Agreement (PA) and several other deliverables that were very important for developing countries.

Among those successes, it highlighted the important decision on pre-2020 implementation and ambition that includes a stocktake on where we are, in relation to the pre-2020 work, recognising that the enhancement of pre-2020 action and support in finance, technology and capacity-building from

developed countries to developing country Parties, is the solid foundation for post-2020 implementation.

It looked forward to the assessment of the progress of implementation of the decisions taken in Warsaw (in 2013) to accelerate the implementation of the commitments in relation to the provision of means of implementation for developing country Parties.

“This is of particular importance for our countries, including in the context of the 20<sup>th</sup> anniversary of the Kyoto Protocol (KP) and the increasing adverse impacts of climate change in our countries that keep reminding us that we need climate action and support now, and not only after 2020,” emphasised Ecuador.

On the operationalisation of the WIM on Loss and Damage to tackle the consequences of extreme and slow onset weather events related to climate change that have affected different regions of the world, it welcomed the strengthening of the five-year rolling work plan of the Executive Committee (ExCom) and the call for the ‘Suva Expert Dialogue’ as the first step to the future establishment of an expert group on action and support and the call for the mobilisation of resources for averting, minimising and addressing loss and damage. However, it noted that the work plan of the ExCom still remains a long way to achieve the full implementation of the WIM under Article 8 of the PA.

Ecuador was also proud that the G77-China was able to contribute to the long-standing aspiration of local communities and indigenous peoples that they are no longer considered mere observers of climate change but have the opportunity to become real actors of the solution, including through the exchange of experiences and sharing of best practices on climate change action in a holistic and integrated manner. “The establishment of the Facilitative Working Group and the development of its work plan are fundamental and concrete steps towards the full operationalisation of the local communities and indigenous peoples’ platform,” said Ecuador.

It expressed satisfaction with the progress achieved in agriculture after several years (of negotiations) as an important first step for climate actions in the sector which is most vulnerable and is linked to food security.

(In the decision adopted at the COP, among other things, Parties requested “the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation [SBI] to jointly address issues related to agriculture, including through workshops and expert meetings, working with constituted bodies under the Convention and taking

into consideration the vulnerabilities of agriculture to climate change and approaches to addressing food security.”)

The G77 and China also welcomed the establishment of the first gender action plan in relation to climate change and several other important decisions such as those on capacity-building; education, training and public awareness, public participation and public access to information; and the common metrics to calculate the carbon dioxide equivalent of greenhouse gases.

On finance matters, it said “the story on financing is not necessarily a happy one. On such an important area, we have not seen progress on core elements such as in resolving the eligibility criteria adopted by the Global Environment Facility (GEF). We reiterate that the access to financial resources must be granted to all developing country Parties.” (The G77 was expressing concerns over some developing countries not being able to access the resources of the GEF.)

Ecuador reiterated its “rejection to the usage of criteria outside of the scope of the UNFCCC or the governing instrument of the Green Climate Fund (GCF) in the assessment and discussion of developing countries funding proposals.” (The G77 was referring to decisions taken at the recent GCF Board meeting in Cairo where the United Kingdom had opposed the application for funding of proposals from Argentina and Paraguay due to the “level of income” of those countries.)

On the ‘Open Dialogue’ between Parties and non-Party stakeholders held during the first week of the talks, the G77 stressed the responsibility to enhance transparency believed “that existing frameworks, principles and rules in other areas of the UNFCCC as well as in other organisations, can serve as good examples to promote enhanced participation while addressing the realities of the different constituencies and specifically the capacity of some to unduly influence outcomes to serve their own vested interests,” it added.

(Ecuador was referring to calls by civil society groups to have norms in dealing with big corporations who may unduly influence policy outcomes in the UNFCCC due to their vested interests.)

**Mali** speaking for the **African Group** welcomed the decision that mandated the SBI to consider the identification of the information to be provided by developed country Parties on their indicative quantitative and qualitative information on the

projected levels of public financial resources to be provided to developing countries in accordance with Article 9(5) of the PA.

(Developed countries strongly resisted the push by developing countries to have a decision at COP 23 to mandate the SBI to discuss the modalities for biennially communicating information on the provision of public financial resources to developing countries in accordance with Article 9(5). The final compromise was for the SBI to consider the identification of the information to be provided.)

Mali also welcomed the decision on the Adaptation Fund (AF) that provided further assurance for the Fund to serve the PA, noting that the decision provided clarity and built trust among Parties in further deliberating the procedures needed to finalise the AF serving the PA.

(In deciding whether that the AF “shall serve” the PA, developed and developing countries were divided over whether the Fund will be “exclusively under the guidance of” and be “accountable to the CMA” or would also be accountable to the CMP, which established the AF. This issue saw much haggling among Parties, which delayed the closing of the climate talks. The final decision adopted under the CMP is for Parties to consider the matter further at CMP 15 in 2019.)

The African Group expressed disappointment that there was “little appetite to accelerate pre-2020 action, as exemplified by the fact that the Doha Amendment has not yet come into force and means of implementation to developing countries is declining.”

“The ramping up of ambition in the pre-2020 period by developed country Parties is a crucial signal to our people that we are serious about fulfilling our commitments. Therefore, we call on all developed country Parties to urgently implement their pre-2020 pledges and increase their ambition including the provision of additional, new and predictable support to developing countries,” it added. It reiterated the need for the immediate entry into force of the second commitment period (CP2) of the KP.

The African Group also reiterated the importance of the continued consultations on the issue of special consideration for Africa with the view to adopt a decision on the matter as soon as possible, stressing the need for consideration of its special circumstances in relation to its economic and development status which it said “is not comparable to any region in its abilities to meet its obligation under the PA.”

On behalf of the **Like-minded Developing Countries, Iran** said it came with the expectation that developed country Parties would share its objective of COP23 to be an adaptation, finance, and loss and damage COP as the priorities for moving forward in the negotiations to implement the Convention and its PA together, and without rewriting or renegotiating the Convention and its PA and for urgent action on the implementation of pre-2020 commitments and actions.

“Instead, in the various negotiations and meeting rooms – whether under the APA (Ad hoc Working Group on the Paris Agreement), the subsidiary bodies, or the COP – developed countries have repeatedly proposed that developing countries finance and adapt by themselves to loss and damage, and adaptation issues themselves have been lost and damaged. Addressing the impact of response measures has also been blocked ... developing countries were told to look to our own strained resources and to the private sector for such financing and technologies.

“We have also seen constant attempts by developed countries to reflect the principles of equity and common but differentiated responsibility (CBDR) in ways that would be inequitable and which focus on common and not differentiated responsibility,” it lamented. This seems, it added, to be a concerted effort to shift responsibility for climate change action in the post-2020 period more and more to developing countries, it added.

In addition, it said that some developed countries have applied unilateral coercive economic measures on some LMDC members contrary to international law and thereby increasing hardship in these countries, it said, warning that these are not conducive to building trust moving forward.

Despite the initial difficulties in the treatment of pre-2020 issues that the LMDC had tabled at the start of this COP which was supported by the G77-China, Iran was glad to note that a constructive way forward has been found and it looked forward on the matter.

It noted the announcement of the European Union (EU) that it will conclude its ratification of the Doha Amendment by this December and looked forward to other developed countries following the EU example.

It further called on the UN Secretary General and the UNFCCC Secretariat to accord the same level of political attention and celebration for the Doha Amendment to the KP including for the deposits of

the instruments of ratification, as had been given last year to the signature of the PA.

“We look forward, together with our partners, to keeping a focus in the years up to 2020 on how pre-2020 commitments are being met. This includes doing so in the Talanoa Dialogue next year and also in the annual stocktake on pre-2020 issues that the COP will undertake in 2018 and 2019,” it emphasised.

**Brazil**, representing **BASIC** (comprising Brazil, China, India and South Africa) said it was dismayed over the initial divergence among Parties in views on how and where to address this pre-2020 actions although all Parties agreed on the importance.

“Pre-2020 action is back as we have collectively decided ... the stocktake sessions mandated by this COP for each year up to 2020 will serve to inform actions by countries and contributes to raise collective ambition. The urgent need for entry into force of the Doha Amendment to the KP is also highlighted,” it added in relief.

BASIC welcomed the decision reached on agriculture, the gender action plan and the concept of equity as a central element of the design of the global stocktake (under the PA to be conducted in 2023.) It was pleased with progress made for the PWP with the range of views captured in informal notes that would serve as basis for negotiation in 2018 and called on Parties to “redouble” their efforts next year.

It also expressed concerns over the resistance of developed countries on the call for greater transparency and predictability in the provision of information on finance in accordance with Article 9(5) of the PA.

BASIC also expressed profound concerns over attempts by developed countries to unilaterally apply new eligibility criteria over access to funding under the GEF and GCF. It also understood that the compromise reached required the GCF Board to ensure that all developing countries have access to all financial instruments available in line with eligibility criteria in the governing instrument, relevant COP decisions and application of agreed policies of the Fund.

On the Talanoa Dialogue, it expected “developed countries to demonstrate what they are doing to close the ambition gap so as to avoid transferring the gap to developing countries from the pre-2020 to the post-2020 period.” Brazil also said that it is offering to host COP25 (in 2019).

**Maldives** for the **Alliance of Small Island States (AOSIS)** said that “exceeding the Paris goals requires renewed political commitment if we hope to peak global carbon emissions by 2020 and put the world on a path to keep warming to less than 1.5°C.” It called for the Talanoa Dialogue to ramp up ambition and the acceleration of finance to small island developing states which are already suffering acutely from climate change by expanding access to grants and concessionary loans, systematically simplifying access to finance including loss and damage, and creating international instruments to incentivise private finance flows towards building resilience and ensuring timely disbursement of funds.

**Ethiopia** for the **Least Developed Countries (LDCs)** said “the overarching outcome of the Talanoa Dialogue must lead to an increase in ambition by all countries to put us on track to limit the global temperature increase to 1.5°C through strengthening of our national contributions, managing a phase-out of fossil fuels, promoting renewable energy and implementing the most ambitious climate actions.”

On loss and damage, it said the scale of destruction is already beyond LDCs’ capacity to respond or cope and to lift its people out of poverty. While recognising that Parties could not agree on introducing loss and damage as a standing agenda item under the subsidiary bodies, it appealed for actual support and that the ‘Suva Expert Dialogue’ that was agreed to would lay a strong foundation for further raising the profile of loss and damage and in delivering the concrete actions needed by vulnerable developing countries.

It also expressed concern that climate finance appeared to be tapering downwards but welcomed the important decision taken at COP23 that firmly integrated the Adaptation Fund into the architecture of the PA as a crucial adaptation funding source for developing countries.

Representing the **Coalition for Rainforest Nations, the Democratic Republic of Congo** warned of the dangerous precedent set by the secretariat in not including the DRC’s proposal for an agenda item at COP 23 called the “*gateway to encourage, measure, report, verify and account for greater ambition from corporate entities, investors, regions, states/provinces, cities and civil society organisation.*” It said the proposal would be back on the agenda of COP24 and said it would be organising voluntary consultations in this regard at the Bonn intersession next May.

(Informal consultations initiated by the COP Presidency did not lead to consensus among Parties to include the DRC proposal into the COP 23 agenda.)

**China** said the outcome in Bonn highlighted and consolidated the political momentum for international cooperation for climate change and the promotion of global green and low carbon development. It noted the heavy task in 2018. “The historical momentum of the PA is not reversible ... China will continue on the basis of building a community of common human destiny. It will take robust domestic actions to deal with climate change and implement in earnest its declared nationally determined contributions (NDCs) and other targets,” it added further.

**Mexico**, for the **Environmental Integrity Group** said that the approval of the PA work plan and the Talanoa Dialogue remained two important features for next year while noting that some issues still lag behind.

In its intervention posted on the website, **Australia**, for the **Umbrella Group**, welcomed the design of the Talanoa Dialogue and trust that concept would ensure the Dialogue is ‘collective, inclusive and transparent’ in helping to raise future ambition.

It said a strong and effective enhanced transparency framework applicable to all Parties and guidance on how Parties account for their emission reduction commitments under the PA is both fundamental to ensuring credibility and public confidence in Parties’ efforts. It was pleased with progress to that end across the PA work programme.

**Estonia**, for the **European Union** said it came to Bonn in search of progress with a view to honour the international agreement that Parties worked hard and achieved in Paris. “Let us be clear ... next year will not be easy nor shall we pretend that we have found solution to all outstanding challenges here. The journey ahead is long and complicated ... but the EU is not in the business of walking away from difficult situation.

“We heard concerns of our developing country partners and we understand their anxieties in the face

of what seems to be overpowering challenge of climate change. We all know it is no longer about science alone but about livelihood of our people,” it added. It reiterated that the work to enhance pre-2020 actions remain a priority for the EU and it is proud of its record. It said as a sign of its commitment, the EU is planning to deposit the instrument of the Doha Amendment by end of this year.

The **US** reiterated that it will withdraw from the PA unless it can identify suitable terms for engagement and that its participation in COP23 including in the negotiations at the session did not indicate a change in the US position.

“We note that while the US continues to develop its policies, the decisions adopted at this session are without prejudice to our future positions on the matters addressed at this session and the content included in the adopted decisions.

“Additionally, with regard to finance matters, and in particular the US\$100 billion collective finance goal, the US notes that it is aspirational in nature, is not legally binding – either collectively or on any Party individually – and does not create rights or obligations. As such, actions to mobilize finance taken by any country – either developed or developing – remain a domestic decision. In this context, the US reiterates that the financial pledges made by the last administration are not legally binding,” it added.

It further said as a global leader in innovation, the US anticipates continuing support for developing countries’ energy, land-use, and resilience activities where mutually beneficial to our broader foreign policy, economic development, and national security objectives. In particular, the US will endeavour to work closely with other countries to help them access and use fossil fuels more cleanly and efficiently and help deploy renewable and other clean energy sources, given the importance of energy access and security in their NDCs.