

## What to expect at the Lima Climate Conference

Lima, 1 Dec. (Meena Raman\*) - The Climate Conference kicks off in Lima, Peru, against the backdrop of recent key events in the climate change arena, which include the most recent release of the Intergovernmental Panel on Climate Change's (IPCC) Summary for Policy-Makers (SPM) relating to the Synthesis Report of its Fifth Assessment Report (AR5), the US-China joint announcement of their post-2020 actions on climate change, and the US\$ 9.7 billion pledged to the Green Climate Fund (GCF).

The Lima talks from 1-12 December will see the convening of the twentieth session of the Conference of Parties (COP 20) to the United Nations Framework Convention on Climate Change (UNFCCC), the tenth session of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 10), the forty-first session of the Subsidiary Bodies viz. the Subsidiary Body for Implementation (SBI 41), the Subsidiary Body for Scientific and Technological Advice (SBSTA 41) and the seventh part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2.7).

Two high-level ministerial dialogues have also been planned on 'climate finance' and the 'Durban Platform for Enhanced Action' which will take place on 9 and 10 December respectively.

With less than a year left to conclude the deal in 2015 in Paris for a new agreement under the UNFCCC which is to take effect in 2020, the Lima talks will be an important milestone. Hence, there will be a great deal of focus on the work being carried out under the ADP.

Lima will also witness the first international assessment and review (IAR) process established under the SBI for developed countries, which aims to promote the comparability of efforts among developed countries of their quantified economy-wide emission limitation and reduction targets. The IAR was agreed to in 2010 in Cancun.

A related issue of importance in relation to the mitigation commitments of developed countries will be the status of progress made on the ratification of the Doha Amendment to the Kyoto Protocol (KP), where only some Annex 1 Parties agreed to commit to a second commitment period of the KP (for the period 2013-2020) for further emission

cuts. The latest information from the UNFCCC website reveals that from the Annex 1 Parties, only Norway and Monaco have ratified the Doha Amendments.

Parties had also agreed in Doha that under the second commitment period of the KP, Annex 1 Parties will revisit their emission reduction commitments at the latest by 2014, to increase their ambition. In this regard, the CMP in Lima (under agenda item 8), will consider the report of the high-level ministerial roundtable on increased ambition of the KP commitments that took place on 5 June 2014 in Bonn, Germany. Whether and if Annex 1 Parties to the KP will revisit their targets to increase their ambition remains to be seen and appears rather remote. What action will follow in this regard will be another critical matter to watch.

### ADP

In Lima, Parties are expected to do the following:

- Further elaborate on the elements for a draft negotiating text of the 2015 agreement;
- Identify the information that Parties will provide when putting forward their intended nationally determined contributions (INDCs) in relation to the 2015 agreement;
- Agree on how to accelerate the full implementation of the decisions under the Bali Action Plan (decision 1/CP.13) and to enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties.

In order to assist Parties, the Co-chairs of the ADP have prepared:

- A non-paper on elements for a draft negotiating text;
- A draft decision text on advancing the Durban Platform for Enhanced Action (DPEA). This draft text includes matters relating to the INDCs and the pre-2020 climate actions.

On the non-paper on elements relating to the 2015 agreement, a key issue for resolution would be on how the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) is applied under the

new agreement. Article 3.1 of the UNFCCC provides as follows: “The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities.”

The non-paper introduces the notion of “evolving CBDR-RC, which pervades across all the elements of the new agreement viz. mitigation, adaptation, finance, technology transfer, capacity building and transparency of action and support. This concept of “evolving CBDR-RC” is expected to generate an interesting and intense debate among Parties.

On the draft decision on advancing the DP, in relation to the intended nationally determined contributions (INDCs), although the draft decision “notes that the scope of the contributions is to be nationally determined...” (paragraph 8), it stresses that “all Parties should include a mitigation component in their INDCs” (paragraph 9). The decision also provides for “opportunities for seeking and providing clarification to Parties and admitted observer organisations” via electronic means of Parties INDCs (paragraph 17). The decision “also requests the secretariat to organise workshops...in June 2015 ...” with the objective of “enhancing the clarity, transparency and understanding of the aggregate effect of communicated INDCs”. This is referred to in the discussions as an “ex-ante review” of the INDCs, prior to the finalisation of the Paris agreement.

In the Warsaw COP last year, after much wrangling, Parties agreed to a decision under the ADP to “initiate or intensify domestic preparations for their INDCs, without prejudice to the legal nature of the contributions, in the context of the 2015 agreement” and to communicate them well in advance of COP 21 (in Paris) (by the first quarter of 2015 by those Parties ready to do so).

The scope of the INDCs has been a subject of much debate in the ADP this year and is expected to continue to be so in Lima. Further, developing countries have also stressed previously that there can be no ‘early-harvest’ as regards the mitigation element of the 2015 agreement when all the elements are ‘a package’ or a ‘single-undertaking’.

A large number of developing countries, including the Like-minded developing countries (LMDC) and the African Group have been opposed to viewing the INDCs as only being mitigation-focused, in stark contrast to the position of most developed countries.

They have said that INDCs cannot be focused only on ‘mitigation’, including in being isolated from the consideration of the provision of finance, technology transfer and capacity building support.

In fact, China, at the October session this year of the ADP, said that there can be no ‘early harvest’ of the 2015 agreement by focusing only on mitigation when all

elements of the 2015 outcome are “a package”. This view is also shared by the LMDC.

The **African Group** had in the same session made clear that Parties were working under a “single mandate” as set out in the Durban decision (adopted in 2011) and that work must be captured within “a single undertaking” (in relation to all the elements of the 2015 agreement).

The **Bolivarian Alliance for the Peoples of our America (ALBA)**, had said in the October session that the INDCs are a component of the 2015 agreement and are to be negotiated in the context and in conjunction with all the elements of the agreement, and not separately. It saw the approach of focusing only on mitigation “as an attempt by a group of countries to negotiate the outcome of an agreement, which Parties have not yet begun to negotiate, by using the debate on the information on INDC as a back door, and as a way of diluting the commitments of developed countries under the Convention”.

Given the above, in Lima, we can expect intense exchanges on the scope and the treatment of the INDCs vis-à-vis the 2015 agreement, including on whether there should be an ex-ante review prior to the conclusion of the Paris agreement.

In relation to the conduct of work under the ADP, in the last session in October, the G77 and China had stressed that the format of the future sessions has to be modified and called for “focussed groups to be established to enter into formal Party-driven negotiations.”

The LMDC also said that they were clearly against having “huddles” in the process to resolve issues and that they will not accept a “take it or leave” outcome text that Parties have not negotiated. The LMDC further wanted the contact group to enable direct negotiations among Parties and called for negotiations based on draft texts on the screen and on paper “in order to narrow down differences, find convergence and achieve consensus.” Similar sentiments were also expressed by the Arab Group, the African Group and BASIC (Brazil, South Africa, India and China) who also called for work to begin in more focused groups and asked the Co-chairs to appoint facilitators for such groups. However, Australia and Russia were opposed to having the focused groups and preferred to continue discussions in the same setting as in the past where exchanges were conducted by the ADP Co-chairs, with no text-based negotiations.

In the scenario note prepared by the Co-chairs for the Lima session, they say that “focused negotiations under the contact group will be undertaken in parallel meetings and facilitated by either one of them.” It is unclear as to what is meant by “focused negotiations” and there are concerns as to whether there will be any change in the mode of their work, as demanded by developing countries.

### **Multilateral Assessment Process under the SBI**

The multilateral assessment (MA) process is part of the IAR process established under the SBI for developed countries, to promote the comparability of efforts of their emission reduction targets. The IAR process comprises two steps: a technical review of the biennial reports (BRs) of each developed country, followed by the MA of the progress towards achieving the economy-wide target by developed countries.

In the first round of the MA, which will take place on 6 and 8 December, 17 developed countries will be assessed. This includes the European Union, the US, Switzerland and New Zealand. The countries assessed will be providing responses to questions posed by Parties.

This exercise is bound to attract much attention, in order to gauge how much or how little developed countries are doing in limiting the global temperature rise to below 2 degree C. This process is linked to the discussions currently going on to address the mitigation gap under the ADP in the pre-2020 timeframe.

### **Finance Issues under the COP/CMP**

Given the recent announcements that up to US\$ 9.7 billion has been pledged to the GCF for four years (2015-2018), the Lima talks are bound to witness reactions from developing countries over the scale of the ambition and the adequacy of the efforts, as Parties agreed in Cancun to mobilise US100 billion per year by 2020.

The Lima COP is expected to provide further guidance to the GCF as well as to the Global Environment Facility (GEF) that is currently one of the operating entities of the UNFCCC's financial mechanism.

Other matters on the COP agenda relating to finance include further work on long-term finance; consideration of the report of the Standing Committee on Finance (SCF) which includes recommendations on biennial assessment and overview of climate finance flows; guidance to the GEF and the GCF; outcome of the forum for the communication and continued exchange of information among bodies and entities dealing with climate finance and measurement, reporting and verification (MRV) of support beyond the biennial assessment and overview of climate finance flows; fifth review of the Financial Mechanism and further guidance to the Least Developed Countries Fund.

The fifth review of the Financial Mechanism is supposed to be concluded in Lima and is seen by developing countries as being very important as Parties look into the whole financial architecture for climate finance, both inside the Convention and its Kyoto Protocol and evaluate the current functioning of the operating entities of the Financial Mechanism of the Convention which are the GEF and GCF.

Under the CMP agenda, as regards the Adaptation Fund, Parties are also supposed to provide further guidance to

the Adaptation Fund Board and to complete the consideration of the second review of the Fund.

### **Warsaw International Mechanism for Loss and Damage**

At the last COP (COP 19) in Warsaw, after intense wrangling between the developing countries and developed countries, Parties established the International Mechanism for Loss and Damage associated with Climate Change Impacts, which was viewed by many as a very significant outcome. COP 19 also established an Executive Committee (Excom) to guide the implementation of the functions of the Mechanism.

Advancing further work for the implementation of the Mechanism is a very important outcome for developing countries, and the consideration of the mode of work of the Excom and the overall governance of the Mechanism will be at the centre of the negotiations.

In Lima, the Subsidiary Bodies (SBI and SBSTA) will consider the initial two-year workplan developed by the Excom this year and whether this plan matches the expectations set for the Mechanism. They will also consider the composition of, and procedures for the Excom and to recommend a draft decision to the COP for adoption on finalising the modalities for the organisation and governance of the Excom.

### **National Adaptation Plans**

With resources soon to be available under the GCF, discussions on national adaptation plans (NAPs) will be key in Lima. The Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG) have completed important analysis for this session on the gaps and needs in the current experience on NAPs. However, key issues remain and many developing countries are concerned that the current pace of efforts are not matching the urgency of the issues related to adaptation and NAPs.

The Lima session will need to be clear for developing countries on how NAPs will be received and supported by the GCF and how the Fund will operationalize the actions identified in process of the formulation and implementation of NAPs. In addition, the role that the AC, LEG, and the Global Support Programmes for LDCs and non-LDCs will play remains unclear; this must be addressed in Lima and cannot be postponed any further.

### **2013-2015 Review**

The COP decided to periodically review the adequacy of the long-term global goal and overall progress made towards achieving it. This is referred to as the 2013-2015 review. In 2012, the COP decided to establish a structured expert dialogue (SED) to support the work of the joint contact group of SBSTA and SBI and to provide scientific inputs to the review.

The 4<sup>th</sup> meeting of the SED will be held in Lima in two parts on 2 and 3 December respectively to consider the

Synthesis Report of the IPCC's AR5 as well as other sources of information in assessing the adequacy of the long-term global goal and the progress made towards achieving it.

The information gathered from all the previous SED meetings and the proposed meeting in Lima will be summarised and conceptualised with a view to closing the dialogue before the next session of the SBs (in June 2015). The Co-facilitators of the SED have suggested adjourning the SED on 3 December and to resume the meeting in February 2015, in conjunction with the ADP meeting in Geneva next year.

At the June session this year of the SBs, developing countries had pointed out that the 2013-2015 review must not just address the long term temperature goal, but must also assess the implementation of the commitments by Annex I Parties particularly in finance and technology transfer.

The outcome of the SED and the review is expected to inform discussions on the long-term global goal currently on-going in the ADP on the Paris deal.

(\*With inputs from Hilary Chiew)