



Distr.: General
26 May 2010

Original: English

African Ministerial Conference on the Environment

Thirteenth session

Bamako, 21–25 June 2010

Review and analysis of the negotiating text on long-term cooperative actions in the light of the specific circumstances of Africa

Note by the secretariat

The present paper was commissioned by the United Nations Economic Commission for Africa, at the request of the secretariat of the African Ministerial Conference on the Environment. Acknowledgements are expressed to Mr. Djimingue Nanasta, Mr. Jean-Philippe Thomas, Mr. Libasse Ba and Ms. Fatima Kaba¹ for their help in producing the paper. The paper is a work in progress and will be reviewed and updated on the basis of new information and as the negotiations progress.

1 All of ENDA Tiers Monde, Dakar.

Contents

List of Ad Hoc Working Group sessions	iii
Executive summary.....	4
A. Shared vision.....	4
B. Adaptation.....	4
C. Mitigation.....	5
D. Finance	5
E. Technology development and transfer	5
F. Capacity-building.....	5
I. Introduction: General context of the negotiations and purpose of the review	6
A. Overview of the climate change negotiations	6
B. Rationale and objective of the review	6
C. Key issues at stake for Africa	7
D. Structure of the report.....	7
II. Bali Action Plan and its significance for Africa.....	8
A. Mitigation.....	8
B. Technology development and transfer	10
C. Adaptation.....	10
D. Financial resources and investment for mitigation and adaptation.....	10
III. Review and analysis of the negotiating elements.....	11
A. Shared vision for long-term cooperative action	11
B. Enhanced action on mitigation	15
C. Enhanced action on adaptation and its means of implementation	21
D. Technology development and transfer	27
E. Enhanced action on financing.....	30
F. Capacity-building.....	40
IV. Overall conclusions and policy recommendations	42
A. Shared vision.....	43
B. Adaptation.....	43
C. Mitigation.....	43
D. Finance	44
E. Technology development and transfer	45
F. Capacity-building.....	45
References.....	49

List of Ad Hoc Working Group sessions

<i>Ad Hoc Working Group session</i>	<i>Location</i>	<i>Date</i>
Conference of the Parties 15 Ad Hoc Working Group 8 (Copenhagen)	Copenhagen	7–19 December 2009
Ad Hoc Working Group resumed 7th session (Barcelona session)	Barcelona, Spain	2–6 November 2009
Ad Hoc Working Group 7 (Bangkok session)	Bangkok	28 Sept–9 October 2009
Bonn climate change talks (Bonn III, informal consultations)	Bonn, Germany	10–14 August 2009
Ad Hoc Working Group 6 Bonn Climate Change Talks (Bonn II)	Bonn, Germany	2–13 June 2009
Ad Hoc Working Group 5 Bonn climate change talks (Bonn I)	Bonn, Germany	29 March–8 April 2009
Conference of the Parties 14 – Poznan Ad Hoc Working Group 4	Poznan, Poland	2–13 December 2008
Ad Hoc Working Group 3 Accra climate change talks	Accra	21–27 August 2008

Executive summary

1. The present report sets out the findings of a review and analysis of the latest negotiating texts of the Ad Hoc Working Group on Long-Term Cooperative Action of the United Nations Framework Convention on Climate Change (referred to hereinunder as the “Ad Hoc Working Group”). The aim of the report is to deepen understanding of the implications for Africa of the various proposals, ideas and options contained in the negotiating texts. The intention is to ensure that Africa’s negotiating positions on all elements of the Bali Action Plan is adequately informed and that negotiators clearly articulate the continent’s concerns and priorities during future negotiations.

2. The review begins with the negotiating text (FCCC/AWGLCA/2009/8) that was revised in June 2009 with additions and modifications (FCCC/AWGLCA/2009/INF.1). In August 2009, the Chair of the Ad Hoc Working Group proposed a version of that revised text containing attributions to the sources of ideas and proposals. After the discussions held in Bonn, Germany, in August 2009, the Chair reordered and consolidated sections of the revised negotiating text (FCCC/AWGLCA/2009/INF.2) for the seventh session of the Ad Hoc Working Group, held in Bangkok and resumed in Barcelona, Spain.

3. For the eighth session of the ad Hoc Working Group, held in Copenhagen from 7 to 15 December 2009, all the non-papers produced in Bangkok after the first part of the seventh session, and also the revised versions produced after the resumed session in Barcelona, were compiled (FCCC/AWGLCA/2009/14) to complete the set of negotiating texts. Thus, at its eighth session, the Ad Hoc Working Group had before it all the texts and submissions from parties, including the texts contained in documents FCCC/AWGLCA/2009/INF.1 and INF.2. The present report covers all those documents.

4. In view of the forthcoming sessions in the lead-up to the sixteenth session of the Conference of the Parties to the Framework Convention on Climate Change, scheduled to take place in Mexico in December 2010, the review also takes into account the negotiating text (FCCC/CP/2010/2) that resulted from the Copenhagen session, in conjunction with the report of the Ad Hoc Working Group’s eighth meeting (FCCC/AWGLCA/2009/17). A brief review and analysis of the Copenhagen Accord is provided as an addendum to the present document, highlighting possible implications for the African continent.

5. The present report focuses on all the negotiating elements, including the major building blocks of the Bali Action Plan:

- (a) Shared vision for long-term cooperative action;
- (b) Enhanced national and international action on the mitigation of climate change;
- (c) Enhanced action on adaptation;
- (d) Enhanced action on technology development and transfer to support action on mitigation and adaptation;
- (e) Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation.

6. The report first discusses the significance and implications of the Bali Action Plan for the continent. It then examines the negotiating positions, proposals and ideas put forward by the negotiating blocs. The conclusions and recommendations set forth below were drawn from the review findings.

A. Shared vision

7. There is a need to define the shared vision around the principles of the equity and historical responsibilities of developed countries. Within the context of climate change, the focus should be on the right to sustainable development and poverty alleviation, which are the main concerns of the developing countries.

B. Adaptation

8. The costs of adaptation are very high. Accordingly, it is imperative for developed countries to commit themselves to significantly reducing their greenhouse gas emissions to minimize the impacts of climate change on the most vulnerable countries. In addition, they should commit themselves to providing poor vulnerable countries with financial resources that are susceptible to monitoring, reporting and verification. These resources are needed to tackle all key areas of the adaptation action

programme and should be new, sufficient, predictable and sustainable. The group of African countries may wish to support the strengthening of national and regional centres to ensure sustainability in the implementation of the continent's adaptation action programme.

C. Mitigation

9. The system of nationally appropriate mitigation actions offers an opportunity for mitigation on the African continent. In this regard, the negotiators should seek the expansion of eligible categories of activities to benefit from carbon credits and other international incentives. These activities should include community forest management, sustainable land management and, in particular, sustainable agriculture, afforestation and reforestation. To take full advantage of the nationally appropriate mitigation actions, African countries should start preparing sectoral studies to identify targeted activities.

10. At the same time, given that Africa is the continent most vulnerable to the impacts of climate change, it should demand that Annex I countries enter into high emissions reduction commitments, namely, at the rate of 85 per cent by 2050, as dictated by science.

D. Finance

11. In the area of finance, African negotiators should focus on the following:

(a) Support for proposed revenue raising mechanisms based on the auctioning of assigned amount units (AAUs) and levies on emissions from international maritime and aviation transport. These have the potential of providing new, predictable and additional resources for their financial needs;

(b) Support for the Mexican proposal, on the proviso that the requirement for developing-country financial commitments are removed, that such a fund is linked to innovative mechanisms to avoid putting excessive pressure on current flows of public financing, and that more of the funds are earmarked for adaptation. The Mexican-Norwegian financing proposal put forward in Copenhagen could represent a breakthrough because of the potential predictability and reliability of some of the proposed sources. It lacks some important elements, however, such as direct access, the requirement of monitoring, reporting and verification, short-term finance and a review process;

(c) The Group of 77 and China proposal is in the interest of Africa. Reliance on budgetary contributions is risky, however, as the funds can be easily diverted;

(d) On governance, continued support for a new institutional structure managed by the Conference of the Parties, but also bearing in mind that existing funds are likely to continue at least for some time;

(e) Continued insistence on direct access to funds and the equitable allocation of funds;

(f) Continued pressure on developed countries to honour their past commitments and to restart building confidence and trust.

E. Technology development and transfer

12. The focus for technology development and transfer should be on extending renewable energies, adaptation technologies and ensuring access to energy and energy services for all in Africa. This should be situated within the framework of the sustainable development and poverty reduction imperatives of the region.

F. Capacity-building

13. Capacity-building should be continuous, progressive, iterative, country-driven and focused on specific needs. The African continent needs to build its resilience to climate change. In this context, an integrated approach to capacity-building will help African countries to deal more effectively with their immediate needs. The group of African countries should put forward a comprehensive proposal to this end.

I. Introduction: General context of the negotiations and purpose of the review

A. Overview of the climate change negotiations

14. The United Nations Framework Convention on Climate Change has set up a framework for action and established rules to allow the international community to agree on appropriate future action on the reduction of greenhouse gas emissions. This should be undertaken on the basis of developments in science and the availability of new knowledge on the issue. Thus, the publication of the second assessment report in 1995 signalled the need to review the adequacy of commitments under article 4, paragraph 2 (a) and (b) of the Convention. The Berlin Mandate, which was established thereafter to enable parties to take appropriate actions for the period beyond 2000, launched the process that ended with the signature of the Kyoto Protocol in 1997. The Kyoto Protocol is aimed at assigning and strengthening binding commitments by developed countries and ambitious measures to reduce their greenhouse gas emissions.

15. Following the entry into force of the Kyoto Protocol and the eleventh session of the Conference of the Parties, held in Montreal in 2005, the framework of the current negotiations was set. The objective was to negotiate more binding and ambitious commitments for developed countries for the post-2012 period, while at the same time seeking to involve major carbon emitters that had not signed the Protocol. The deadline for completing this new process of negotiations was set as the Copenhagen meeting in 2009, under the mandate of the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol.

16. During the thirteenth session of the Conference of the Parties in 2007 in Bali, Indonesia, country parties adopted the Bali Action Plan, which established another subsidiary body, the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, to conduct a two-year negotiation process focusing on the key elements of long-term cooperation to be articulated under a shared vision: mitigation, adaptation, finance, capacity-building and technology transfer. The deadline for concluding those negotiations was also set to end in Copenhagen. The present report focuses on the work of Ad Hoc Working Group on Long-term Cooperative Action and, in particular, the negotiating texts prepared by the Chair of the Group. At the fifteenth session of the Conference of the Parties, country parties decided to extend the mandate of the Ad Hoc Working Group to allow it to conclude its work at the Conference's sixteenth session, to be held in Mexico in December 2010. The Ad Hoc Working Group was requested to draw on the report of its eighth session, held in Copenhagen, containing the draft decisions and texts considered and modified during the session by the drafting groups.²

B. Rationale and objective of the review

17. During its sixth session, held in early June 2009, the Ad Hoc Working Group focused on the development of a negotiating text taking as its starting point the Chair's initial 53-page draft document. The outcome of its work, by the end of the session, was a 200-page negotiating document.³ That round of talks afforded parties the opportunity to make specific changes to the text and to clarify and elaborate on their proposals. Following the discussions at its seventh session, held in Bangkok and resumed in Barcelona, parties were offered the opportunity to streamline the reordered and revised text. In response, several non-papers were proposed, based on the discussions. Those texts were considered and modified during the fifteenth session of the Conference of the Parties.

2 The review begins with the negotiating text (FCCC/AWGLCA/2009/8) that was revised in June 2009 with additions and modifications (FCCC/AWGLCA/2009/INF.1). In August 2009, the Chair of the Ad Hoc Working Group proposed a version of that revised text containing attributions to the sources of ideas and proposals. After the discussions held in Bonn in August 2009, the Chair reordered and consolidated sections of the revised negotiating text (FCCC/AWGLCA/2009/INF.2) for the seventh session, held in Bangkok and resumed in Barcelona. For Copenhagen, all the Bangkok non-papers, and also the Barcelona revised versions, were put together to complete the set of negotiating texts. For the extended work of the Ad Hoc Working Group, the negotiating text resulting from the session is compiled in document FCCC/CP/2010/2, which is to be considered in conjunction with the report of the Ad Hoc Working Group (FCCC/AWGLCA/2009/17). The review was commissioned before the fifteenth session of the Conference of the Parties, but could not be made available before then owing to circumstances beyond anyone's control. Given that work continued after that meeting, it was deemed necessary to include the outcomes of the session in the analysis, which naturally includes the Copenhagen Accord and a brief appraisal of the implications of the Accord for Africa, in the annex to the present document.

3 Document FCCC/AWGLCA/2009/8 followed by the revised text FCCC/AWGLCA/2009/INF.1 accessible at: http://unfccc.int/documentation/documents/advanced_search/items/3594.php?rec=j&prirref=600005358#beg.

18. The negotiating text is presented in the form of a set of draft decisions. All this documentation constitutes the basis of the policy negotiations for a new international agreement to tackle climate change. These texts cover a wide range of complex issues and encompass all the building blocks of the Bali Action Plan: a shared vision for long-term cooperative action, adaptation, mitigation, finance, and also technology development and transfer and capacity-building.

19. As the discussions resume in the aftermath of the fifteenth session of the Conference of the Parties, the length of the texts, alongside the wide range of issues being considered, render it difficult for the delegations of African countries that are already overwhelmed with meetings and consultations to make an effective contribution to shaping a negotiated agreement. To enable the African negotiators to participate effectively in such a challenging and complex negotiation process and to develop forward-looking positions in the interest of Africa, the African group of climate change negotiators expressed the need for a critical review and analysis of the negotiating texts with a view to deepening their understanding of the issues and to ensuring that their negotiating positions were better informed. The present report is intended to respond to that urgent need.

20. The aim of the review is therefore to explore the implications for Africa of the various proposals and ideas contained in the negotiating text to inform Africa's negotiating positions on all the elements of the Bali Action Plan, with a view to ensuring that the continent's concerns are adequately met in a post-2012 climate change agreement. The study was commissioned by the United Nations Economic Commission for Africa at the request of the secretariat of the African Ministerial Conference on the Environment (AMCEN). It was undertaken in the context of the interim activities under the Climate for Development in Africa (Climdev-Africa) Programme of the African Climate Policy Centre (ACPC).

C. Key issues at stake for Africa

21. Since the publication in 2007 of the fourth assessment report by the Intergovernmental Panel on Climate Change (IPCC), Governments have become convinced of the need to step up international efforts to combat climate change. In this context, the Bali Action Plan offered a framework for the current discussions on the four key elements which it contains. The main objective of these discussions is to reach a new agreement for the post-2012 international climate change regime.

22. For African countries, many issues are at stake in the current negotiations, arising from the following three main factors:

(a) According to the IPCC fourth assessment report, Africa is one of the continents most vulnerable to climate change and the region is already experiencing adverse climate change effects. Furthermore, although it is not a major emitter of greenhouse gases, the continent should be able to participate actively in the collective effort to fight against climate change and at the same time receive the necessary, effective support from developed countries to build its resilience and reduce its vulnerability;

(b) In the current international negotiations, no direct link has been made to date between development and climate. Yet adaptation to climate change, development and poverty eradication are the primary and overriding priorities of African countries. Negotiators should therefore be able to advance proposals that are in line with the development and poverty eradication objectives of the region. In addition, countries would need to integrate climate change into development policies and strategies effectively and in this way to take account of the interlinkages and harness the synergies between meeting development goals and delivering climate benefits;

(c) Africa cannot meet its climate change objectives without strong and focused financial support from the international community. The current financial and economic crisis renders it all the more imperative to undertake a careful assessment of the financial needs and to identify areas that offer genuine opportunities for low-carbon growth in pursuit of sustainable development goals.

D. Structure of the report

23. The report seeks to provide a thorough analysis and critical review of the texts, to make them easily digestible by African policymakers and climate change negotiators. It aims to deepen understanding of the issues and to inform the positions of the group of African countries on all the various elements of the Bali Action Plan under discussion. It is structured around the following chapters:

(a) Chapter I – the present introduction: this sets out the general context of the negotiations and purpose of the review and provides a general introduction to the report. It gives an overview of the climate change negotiations, the rationale and objective of the review, the key issues at stake for Africa and outlines the structure of the report;

(b) Chapter II: this begins with a reminder of the importance of each component of the Bali Action Plan in the light of Africa’s unique circumstances. It reviews the different components of the Plan in relation to Africa’s vulnerability and the need to achieve sustainable development, including the imperative of attaining the Millennium Development Goals;

(c) Chapter III: this provides a thorough review and analysis of the negotiating positions relating to the key components of the Bali Action Plan. It presents and analyses the concerns and negotiating positions of developed countries in relation to those of the group of African countries and of the Group of 77 and China. The intent is to focus attention on the critical issues at stake for Africa to help negotiators make informed decisions on negotiating positions and strategies. To ensure that any future agreement adequately reflects the concerns and priorities of the continent, it reviews the various proposals under each element of the Plan. Based on this review, a classification of the options is provided, highlighting those that are in the interest of the continent and those that are not. Lastly, it discusses the possible negotiating scenarios of the developed countries and their implications for Africa. Some policy challenges for the post-2012 period are also discussed;

(d) Chapter IV: this draws general conclusions and puts forward recommendations based on the findings of the review and analysis;

(e) Addendum: this includes a brief review and analysis of the Copenhagen Accord in the light of its implications for Africa.

II. Bali Action Plan and its significance for Africa

24. As mentioned above, the Bali Action Plan was agreed upon by the Conference of the Parties at its thirteenth session and represents the framework for the current negotiation process. It kick-started a process that was envisaged to enable the full, effective and sustained implementation of the Framework Convention on Climate Change through long-term cooperative action, at the current time and up to and beyond 2012, in order to reach an agreed outcome and adopt a decision at the Conference’s fifteenth session in Copenhagen, in December 2009. As indicated in the preceding chapter, the four building blocks of the Plan are:

- (a) Enhanced national and international action on the mitigation of climate change;
- (b) Enhanced action on adaptation;
- (c) Enhanced action on technology development and transfer to support action on mitigation and adaptation;
- (d) Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation.

25. In addition to those key components, the Plan includes an overarching element on a shared vision for long-term cooperative action, including a long-term global goal for emission reductions, in accordance with the principle of common but differentiated responsibilities and respective capabilities.⁴

26. Beyond the traditional view that climate change is an environmental issue, it clearly also poses a major threat to sustainable development in Africa and the target of attaining the Millennium Development Goals, in addition to other development objectives. Africa is particularly vulnerable to the adverse effects of climate change, including its negative impacts on agricultural production and economic growth, which threaten to exacerbate poverty, food insecurity, human health issues and encroachments on human rights in the continent.

A. Mitigation

27. Africa’s total greenhouse gas emissions account for 3.8 per cent of global emissions, making it the region least responsible for human-induced climate change. This can be explained by its low energy consumption (an average of 3 per cent of the world’s consumption for 14 per cent of the world’s population, giving it the lowest per capita consumption of all the world’s continents). Currently, only

4 See Bali Action Plan, decision 1/CP.13.

one quarter of Africa's population enjoys access to modern energy sources and electricity. The consequence of this is persistent economic and social vulnerability, coupled with environmental vulnerability, as most of the population meet their energy needs by exerting a great pressure on biomass resources.

28. To enhance its ability to attain the Millennium Development Goals, the continent has a legitimate need to increase its energy supply and consumption,⁵ with access to clean energy sources and services in order to pursue a clean development path. The promotion of clean energy sources is required to reverse the growing trend of African countries towards energy poverty. Accordingly, the outcome of the current negotiations on the post-2012 climate change regime could substantially contribute to meeting the energy needs of Africa, and also of other developing countries, if favourable decisions are reached on mitigation. The provision of adequate funding is crucial to meeting this need. According to the conclusions of the General Assembly of the African Development Bank, held in May 2009 in Dakar, the energy sector in Africa will need \$26 billion per year in capital expenditure over the next 10 years to enhance its access to energy sources⁶.

29. Mitigation in Africa is closely linked to the issue of deforestation and technology development and transfer. The protection of forests and sustainable forest management is essential to reducing emissions from deforestation. In this regard, the protection of Africa's rainforests can make a genuine contribution to climate change mitigation. The provision of adequate support to Congo basin countries and other rainforest countries should be a key element of any new post-2012 climate change regime. The development of new mechanisms to support and reward local communities' efforts to avoid deforestation is therefore essential.

30. To maintain the balance of emissions reduction commitments between developed and developing countries, the Bali Action Plan has appealed for strengthened action on quantified emissions reduction goals for Annex 1 countries under its paragraph (b) (i) and introduced in its paragraph (b) (ii) the notion of "nationally appropriate mitigation actions" for developing countries. It suggests that all these actions should be measurable, reportable and verifiable.⁷

31. Paragraph (b) (ii) of the Plan introduced two major elements to the present negotiations. First, it implies that developing countries accept the need to negotiate their own national emission reduction actions. It should be noted in this context that, in the current negotiations, developing countries have been advocating that these nationally appropriate mitigation actions should be voluntary (in accordance with article 12, paragraph 4, of the Convention); should be carried out within the framework of sustainable development aspirations; and should be financially and technologically supported by developed countries (in accordance with article 4, paragraph 7). This has a direct bearing on the future of energy in developing countries since nationally appropriate mitigation actions are directly related to energy access and consumption. In the negotiating text proposed by the Chair of the Ad Hoc Working Group,⁸ the development of nationally appropriate mitigation actions is regarded as critical to efforts to combat climate change.

32. Second, the transfer of technology and financial support should be subject to verification. This change, if accepted by developed countries, should be seen as a major shift, as, to date, the financial support that has been provided by developed to developing countries (in accordance with article 4, paragraph 3, of the Convention) has only come through voluntary contributions and the transfer of technologies has not been measured.

33. Thus, as indicated in the negotiating text, nationally appropriate mitigation actions, mitigation targets for developed countries, funding, technology development and transfer and the related verification have a central position and are of paramount importance for the future regime of climate change.⁹

5 See: Millennium Project; UNDP; ESMAP, et al., *Energy Services for the Millennium Development Goals*. Washington: Millennium Project; World Bank, 2005. 116 p.

6 "Investment in energy in Africa: towards a more attractive sector" in *Sud Quotidien*, Friday, 15 May 2009.

7 Bali Action Plan, decision 1/CP.13.

8 Document FCCC/AWGLCA/2009/8, followed by the revised text FCCC/AWGLCA/2009/INF.1, accessible at : http://unfccc.int/documentation/documents/advanced_search/items/3594.php?rec=j&preref=600005358#beg.

9 Winkler, Harald, "Climate change mitigation negotiations, with an emphasis on options for developing countries". Cape Town: ERC, 2008. p. 45.

34. Given the implications of the negotiations on energy security, it is the aspiration of developing countries that the negotiations should be successfully conducted in accordance with the letter and spirit of the Bali Action Plan. This would provide major opportunities for developing countries in the area of energy access, the harnessing of clean energy sources, the promotion of sustainable forest and biomass management, coupled with the attendant greenhouse gas emissions reduction.

35. For African countries, if the negotiations are to focus on nationally appropriate mitigation actions and related issues, it will be necessary to develop programmes and plans of action that are informed by sectoral studies to help to identify well-targeted activities. This will ensure the development and implementation of sound nationally appropriate mitigation actions and easier access to resources, contrary to what has been experienced thus far with the Clean Development Mechanism process.

B. Technology development and transfer

36. Africa lacks advanced technologies to propel its sustainable development objectives and a business-as-usual approach would lead to unsustainable development results. Technology transfer from Annex I countries to Africa has been constrained by limited financial resources and lack of commitment by developed countries. Accordingly, the Bali Action Plan provides an opportunity to remove the barriers to investment flows, along with those related to intellectual property rights.

C. Adaptation

37. The Bali Action Plan, in subparagraphs 1 (c) (i)–(v), introduces the notion of adaptation, which African countries consider the most important pillar, given the continent’s low resilience and unique vulnerabilities. The Bali Action Plan highlights five specific issues that need to be considered in respect of adaptation:

- (a) International cooperation to support the urgent implementation of adaptation actions taking into account African countries affected by drought, desertification and floods;
- (b) Risk management and risk reduction strategies;
- (c) Disaster reduction strategies and the means to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change;
- (d) Economic diversification to build resilience;
- (e) Ways to strengthen the catalytic role of the Convention.

38. Adaptation continues to receive less attention than mitigation in the discussions currently under way. Discussions on adaptation are not well structured and lack a coherent agenda.¹⁰ By calling for the provision of support to African countries to meet their urgent and immediate needs in terms of adaptation, the Bali Action Plan clearly signals the urgency of the situation in Africa. The continent needs financial assistance to enhance its adaptive capacity. To ensure cost-effectiveness, however, climate change policies designed to reduce the risks of climate change on the continent need to harness synergies with mitigation actions both on the continent and, most importantly, in developed countries. The more developed countries mitigate their greenhouse gas emissions, the less the continent will be exposed to the adverse effects of climate change.

D. Financial resources and investment for mitigation and adaptation

39. Rightfully, the Bali Action Plan calls for enhanced action on the provision of financial resources, particularly to developing countries. In 2007, both the Stern Review and the report by the Framework Convention on Climate Change on investments and financial flows needed to deal with climate change highlighted the huge financial gap that developing countries – and African countries in particular – face to tackle climate change. Developing countries must be able to gain access to adequate, predictable and sustainable financial flows. The challenge of achieving the Millennium Development Goals in Africa heavily depends on the extent of the threat posed by climate change and the degree to which this threat can be averted. Accordingly, financial investment in the fight against climate change is critical to climate-proof progress towards sustainable development and the attainment of the Millennium Development Goals.

10 APF. *Climate Challenges to Africa: from Bali to Copenhagen*. Rome: APF, 2009. p. 25.

III. Review and analysis of the negotiating elements

A. Shared vision for long-term cooperative action

40. The shared vision for long-term cooperative action may be analysed in terms, first, of the various concerns and negotiating positions and, second, of the different proposals put forward reflecting those concerns and positions.

1. Analysis of the concerns and negotiating positions

41. During the sixth session of the Ad Hoc Working Group held in June 2009 in Bonn, a wide range of proposals was put forward by countries and their delegations or by groups of countries to frame the language and the content of the shared vision.

42. For developed countries, the focus was on the long-term global goal of emissions reduction. Some proposals were more quantitative and contained specific emissions stabilization goals, temperature increase limits, or global emissions reduction objectives (e.g., 25–40 per cent below 1990 levels by 2020; 50–85 per cent below 1990 levels in 2050).

43. For developing countries, the focus has been more on the need for long-term cooperative action to address the implementation of the Convention, in relation to mitigation, adaptation, finance, technology transfer and capacity-building – essentially all the building blocks of the Bali Action Plan.

44. For Africa, the continent has much to lose from the huge implementation gap of the Convention and its Kyoto Protocol. The Bali Action Plan and the ensuing shared vision therefore offer an opportunity to stress the need for urgent and adequate support from developed countries, in line with article 4, paragraph 7, of the Convention.

45. In Copenhagen during the eighth session of the Ad Hoc Working Group, the discussions still included references to the Convention and the Protocol, historical responsibility and leadership by developed countries on mitigation and financing. The diverging views noted above on the long-term goals for emission reduction, long-term goal financing, and trade measures persisted. Reference to the Convention and Protocol were opposed by a number of developed countries, including Australia, Canada and the United States of America. Where long-term goals for emissions reduction were concerned, many countries supported the goal of maintaining the temperature increase at no more than 2° C higher than pre-industrial levels, with the Alliance of Small Island States (AOSIS) advocating 1.5° C and the Plurinational State of Bolivia 1° C. Options on these issues are currently in brackets in the negotiated text or have yet to be elaborated.

2. Review and classification of the different proposals

46. A wide range of proposals have been tabled for a shared vision that is seen as providing an overarching framework and direction for the new agreement being negotiated. Many, especially in the developing world, see it as a yardstick for the long-term attainment of the Convention's ultimate objective. The group of African countries, the Group of 77 and China and various others countries such as Cuba, Malaysia and others all emphasize the need for full, effective and sustained implementation of the Convention, taking into account the stabilization of greenhouse gas concentrations in the atmosphere (mitigation aspect), the need to adapt to the adverse effects of climate change, and finally the need for sustainable development. These developing countries also emphasize the need for equity.

47. To avoid the most severe impacts of climate change on the most vulnerable countries, it is important to set a limit to the reduction of greenhouse gas emissions reduction and the concentration of greenhouse gases in the atmosphere. The long-term stabilization of global temperature should be achieved by a temperature increase that should not exceed 2° C. It is therefore in the interest of African countries to support all those proposals that set a clear threshold to the lowest temperature rise.

(a) AOSIS submission on a shared vision

48. In their submission on a shared vision related to mitigation, the AOSIS countries placed emphasis on a number of principles. These include:

- (a) Polluter pays principle;
- (b) Principle of common but differentiated responsibilities;
- (c) Precautionary principle;

- (d) Principle of State responsibility;
- (e) Principle of intergenerational equity.

49. It is also the Alliance's view that cooperative action on mitigation should entail a significant contribution from major emitting developing countries. This view is based on the need to tackle equity issues among developing-country members.

50. The AOSIS countries called for a long-term global goal for temperature rise to be kept below 1.5° C compared to pre-industrial levels. They argued that limiting temperature increase below 1.5° C in the long term would make a difference towards avoiding severe consequences. Although more than 100 countries agreed to the 2° C limit, this new stance by AOSIS countries is more favourable to Africa, as it provides a better safeguard against the consequences of climate change. The group of African countries should therefore support the AOSIS option, on the condition that the differentiation among developing countries contained in the proposal is removed.

51. At the seventh session of the Ad Hoc Working Group in Bangkok, AOSIS expressed deep disappointment with the emissions reduction commitments presented by developed countries, stating that it would lead to a temperature increase of 3° C or worse.

(b) Submission by Algeria on behalf of the group of African countries

52. In their submission on a shared vision, the group of African countries calls for the need to ensure the full, effective and sustained implementation of the Convention through long-term cooperative action, at the current time and up to and beyond 2012. The submission also calls for gender equity and the special needs of young people to be properly taken into consideration.

53. The proposal includes a long-term goal for reductions in greenhouse gas emissions, calling for global emissions to be cut to half their historical levels by mid-century through ambitious mid-term targets and on the basis of sound science. In addition, it states that the shared vision needs to be considered in an inclusive, fair and effective manner, taking into account the development aspirations of developing countries.

(c) Submission by Algeria as a country party

54. For Algeria, the shared vision should be equity-oriented. The shared vision on mitigation implies that past emissions constitute the historical responsibility of developed countries vis-à-vis developing countries. Developed countries must take the lead and bear the main burden in efforts to reduce greenhouse gas emissions, while developing countries should have the lightest emissions reduction burden.

55. In this equity-oriented approach, past excess greenhouse gas emissions from developed countries would be considered as an additional basis for the provision by developed countries of financial, technological and capacity-building support for adaptation.

(d) Submission by China

56. China considers the shared vision as an exchange of views to implement the long-term cooperative action, which should be guided by the principle of common but differentiated responsibilities in addition to that of equity.

(e) Submission by Indonesia

57. For Indonesia, the shared vision must be based on the principle of common but differentiated responsibilities, respective capabilities, equity, the social and economic conditions, specific needs and special circumstances of developing countries, the precautionary approach, and the right of developing countries to sustainable development and economic growth.

58. A review of the submissions above demonstrates that African countries, being equity-sensitive, need to focus on the proposals that are in line with the equity-oriented approach. This is based on the principles of historical emissions and equitable burden-sharing. Several submissions outlined above refer to equity. From a developing-country perspective, the shared vision should be used to build trust among all parties and in particular, between developing countries which have expressed frustration at the inaction of developed countries that to date have failed to meet their commitments under article 4, paragraphs 3, 4 and 7, relating to the mitigation of greenhouse gas emissions and the provision of means for effective implementation of the Convention. The shared vision should therefore encompass mitigation, adaptation and finance to ensure an equitable post-2012 agreement that involves all parties in accordance with their respective capabilities and in line with their common but differentiated responsibilities.

Table 1

Summary of proposals and options on a shared vision submitted by some parties

	Parties	Favourable to Africa	Not favourable to Africa	Favourable if amended	Remarks
Shared vision	AOSIS	Equity Keep temperature rise below 1.5° C Common but differentiated responsibilities Precautionary approach		May be supported if the differentiation between developing countries is amended	
	Group of African countries	Long-term goal for greenhouse gas emissions reduction			Need to retain the lowest figure for temperature rise limit: 1.5°C
	Algeria	Equity-oriented approach Historical responsibility			
	Indonesia	Common but differentiated responsibilities, respective capacities Equity			
	China	Common but differentiated responsibilities, respective capacities Equity Developed countries to provide contributions equivalent to 0.5%–1% annual GDP			
	European Union		Developed countries to commit themselves collectively to reducing their emissions by 30% below 1990 levels For developing countries, deviation of 15-30% below business as usual		Developed-country targets not ambitious enough. Burden should not be shifted to developing countries.
	Least developed countries	Annex I countries to reduce emissions by at least 45% below the 1990 level by 2020 and by 85% below the 1990 level			
	Saudi Arabia		No binding global goal		
	United States		Mitigation to be commensurate with all parties' capabilities to act; differentiation		Need to build trust between developed countries and developing countries

3. Analysis of different negotiating scenarios that might emerge as the negotiations progress and of proposals on trade-offs for group of African countries

59. Since the fourteenth session of the Conference of the Parties in Poznan, Poland, from 1 to 12 December 2008, the discussion on the shared vision has proved to be one of the most contentious of the negotiations. On the one hand, developed countries are focused on setting a long-term global goal for emissions reduction. On the other hand, developing countries prefer placing emphasis on the need for a long-term cooperative action to address all the building blocks of the Bali Action Plan, maintaining a strong focus on adaptation, capacity-building, finance and the overall implementation of the Convention.

60. In Copenhagen, no major progress was made on the shared vision. The status quo prevailed with each group of countries maintaining their positions. Given this situation and taking into account the call by the group of African countries for Annex I parties to table ambitious targets for their quantified emission limitation and reduction objectives under the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol, the group could consider welcoming the proposal by the developed countries to set a global mitigation goal. The group of African countries could even go beyond the 2° C temperature increase limit and propose 1.5° C. Being flexible here is not in contradiction with the original position and may even set the tone for an agreement on the other goals on finance, technology and adaptation.

4. Conclusions and recommendations

61. There is a need for the group of African countries to focus the negotiations relating to the shared vision on two principles:

(a) First, the principle of equity: in its submission to date, the group of African countries proposes that the shared vision should address gender equity. There is a need, however, to go beyond gender equity and embrace a more comprehensive approach to equity. This should take into account the principle of burden sharing in the implementation of the Convention and the Kyoto Protocol. That hardly any projects have been implemented under the national adaptation programme of action is evidence of the failure to give due consideration to equity issues. Reports on the implementation of the Clean Development Mechanism provide further evidence that Africa has thus far failed to benefit from this mechanism, which that is intended to help developing countries;

(b) Second, the principle of historical responsibility: this principle needs to be invoked alongside the Convention's principle of common but differentiated responsibilities. Developed countries need to recognize that the threat of climate change cannot be countered unless they take the lead, mounting action underpinned by ambitious targets for the reduction of greenhouse gas emissions on the one hand and support for financing, capacity-building and technology development and transfer on the other.

62. By focusing on these two principles the continent should be able to frame the discussions on a shared vision in such a way as to ensure that due attention is given to a long-term temperature goal for developed countries and the right to sustainable development and poverty eradication for developing countries.

B. Enhanced action on mitigation

1. Analysis of the concerns and negotiating positions

63. The present section on mitigation¹¹ covers those issues included in the text of the Bali Action Plan related to mitigation. The following subsections correspond to the relevant subparagraphs of the Bali Action Plan:

- (a) Mitigation by developed countries (para. 1 (b) (i));
- (b) Mitigation by developing countries (para. 1 (b) (ii));
- (c) Reducing emissions from deforestation and forest degradation, sustainable management of forests, and enhancing forest cover, plus conservation – what is known as “REDD-plus” – in developing countries (para. 1 (b) (iii));

11 See negotiating text FCCC/AWGLCA/2009/INF.1, dated 14 August 2009.

- (d) Cooperative sectoral approaches and sector-specific actions (para. 1 (b) (iv));
- (e) Various approaches to mitigation (para. 1 (b) (v));
- (f) Consequences of response measures (para. 1 (b) (vi)).

64. During the informal climate talks held in Bonn in August 2009, the discussions on mitigation by developed countries focused on economy-wide and legally binding commitments to reductions in greenhouse gas emissions and the need for the comparability of efforts. Developing countries, including the Group of 77 and China, called on developed countries to take on quantified emission reduction objectives commensurate with the magnitude of the problem, the historical responsibility and their development level.

65. There was some convergence around the need for developed countries to take the lead in setting quantified emission reduction objectives that were verifiable for compliance. According to the IPCC fourth assessment report, greenhouse gas concentrations in the atmosphere must be stabilized by the end of this century if temperature increase is to be capped at a maximum of 2° C, corresponding to 450 ppm of carbon dioxide equivalent. In line with this scientific evidence, the European Union as a group has entered into quantified emission commitments of 20 per cent in 2020 compared to 1990 levels. Most of the proposals are thus in line with the need gradually to reduce emissions and also the need for a compliance and review system.

66. At the resumed seventh session of the Ad Hoc Working Group in Barcelona, developing countries stressed the need to focus the discussions on developed-country parties that were not parties to the Kyoto Protocol and were concerned about the comparability of the efforts. An over-arching contact group was then set up to look at those issues but no genuine progress had been made by the end of the session.

67. During the eighth session of the Ad Hoc Working Group in Copenhagen, the differences between developed and developing countries remained in place. Those differences related to the nature of mitigation, the idea of a collective reduction goal, the comparability of efforts, the reference to the second commitment period of the Kyoto Protocol and the need for monitoring, reporting and verification, with the United States preferring a low level of comparability with Kyoto Protocol parties' commitments. The United States was also unwilling to factor in its historical responsibilities. A number of developed countries, including those of the European Union, Japan and the United States, opposed references to the second commitment period of the Kyoto Protocol.

68. The negotiating text could be strengthened with an option stating that any developed country that does not fulfil its legally binding commitments will be held accountable by the Conference of the Parties and will therefore enter into further mitigation commitments, based on the assessed impact on climate change of the emissions that had not been adequately mitigated.¹²

69. On the issue of mitigation by developing countries, most discussions have focused on differentiation, that is, the engagement of the more advanced developing countries in the emission reduction efforts; the nature of the nationally appropriate mitigation actions (nationally appropriate mitigation actions); registries of the nationally appropriate mitigation actions; the recognition of unilateral actions; and arrangements for monitoring, reporting and verification. REDD-plus was also considered for inclusion.

70. For some developed countries, such as the United States, some emerging economies categorized as major emitters or advanced developing countries with greater capacity than others also need to take emission reduction targets. The United States cited article 4, paragraph 1 (b), to sustain its argument, but this was opposed by India. Developing countries and the Group of 77 and China strongly opposed differentiation, stressing that nationally appropriate mitigation actions by developing countries are completely distinct from quantified legally binding commitments by developed countries. The group of African countries is of the view that a firewall needs to be maintained between mitigation commitments by all developed countries and the voluntary mitigation actions by developing countries, while the need for strong monitoring, reporting and verification measures applies to both developed and developing countries, but in a differentiated manner.

12 IEPF. "What priorities for Africa in the negotiations? Possible amendments by Africa delegates on the Ad Hoc Working Group negotiating text". [Montreal]: IEPF, 2009. 10 p.

71. At the eighth session of the Ad Hoc Working Group, in Copenhagen, parties mainly reiterated their positions, with the European Union and other developed countries supporting low-carbon emission plans by developing countries. This position was opposed by the Group of 77 and China as it would open the door to conditions on nationally appropriate mitigation actions.

72. A pilot phase should be agreed upon to help developing countries develop their nationally appropriate mitigation actions to ensure their equal access to the support and enabling mechanisms that will be determined for the post-2012 period. On the measurement and reporting of nationally appropriate mitigation actions, national circumstances should be taken into account, alongside the co-benefits generated by the nationally appropriate mitigation actions.

73. The focus of the discussions on REDD is to cut the rate of deforestation by half by 2020 and to stabilize world forest cover by 2030. This issue was first raised in 2005 during the eleventh session of the Conference of the Parties and since then many proposals have been tabled. REDD-plus refers to policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries.¹³

74. Part II of the note by the Chair of the Ad Hoc Working Group (FCCC/AWGLCA/2009/4 (part II))¹⁴ highlights the consensus amongst parties that REDD-plus could form an important part of the mitigation efforts of those developing countries that have mitigation potential in this area and that co-benefits, broad participation and sustainable forest management should be promoted and the issues of permanence and leakage should be addressed. While it is recognized that policy approaches should be performance-based and aim at national level implementation, further consideration is needed on the extent to which subnational approaches should be allowed in the initial phases of implementation. The Chair also notes that parties have converged on the view that reference levels need to be established and a common methodology based on remote sensing and that on-the-ground verification should be used across all policy approaches.

75. In the course of the discussions in Bonn, there appeared to be considerable divergence over the most fundamental issues regarding REDD-plus. The critical challenges related to whether REDD should be extended to include afforestation and agriculture; whether REDD-plus would be fund-based or market-based; whether REDD-plus should be treated distinctly from other nationally appropriate mitigation actions in developing countries; whether there was a common understanding of key terms such as permanence; baseline calculations; and accounting at the national or subnational level.

76. During the eighth session of the Ad Hoc Working Group, most of these questions were answered and some progress made. Parties introduced a certain measure of linkage to carbon markets and appeared to agree on a market-based mechanism. Discussions also focused on safeguards, although more details were needed to make robust safeguards for the protection of the rights of indigenous people and local forest communities. Agreement was also reached on some methodological guidance. Two key elements remained missing, however, in the draft decision that was proposed: targets to reduce rates of deforestation (by 50 per cent by 2020 and to halt gross deforestation by 2030), and targets to provide finance. Developing countries, including China, Bolivia (Plurinational State of), Brazil, Paraguay and El Salvador are against the use of REDD-plus as an offset mechanism by developed countries to secure credits.

(a) Cooperative sectoral approaches and sector-specific actions

77. The issue of cooperative sectoral approaches and sector-specific actions is introduced in the Bali Action Plan through its paragraph 1 (b) (iv), which calls for the consideration of the issue with a view to enhancing the implementation of article 4, paragraph 1 (c), of the Convention. This article refers to the development, application and diffusion, including transfer, of technologies in mitigation of greenhouse gas emissions. The issue is slowly making its way into the discussions, which cover general elements of cooperative sectoral approaches, agriculture and international bunker fuels. From the discussions held in Bonn, it became clear that there was a need for further clarification. Several issues have been identified that will need consideration, including the nature of the sectors, the level of guidance, the integration in the climate regime, the purpose of using sectoral approaches, etc.

¹³ Idem. See also part I of the note by the Chair of the Ad Hoc Working Group, FCCC/AWGLCA/2009/4 (part I), accessible at: <http://unfccc.int/resource/docs/2009/awglca5/eng/04p01.pdf>

¹⁴ FCCC/AWGLCA/2009/4 (part II). Accessible at: <http://unfccc.int/resource/docs/2009/awglca5/eng/04p02.pdf>

78. At the fifteenth session of the Conference of the Parties, the discussion of the draft text on agriculture focused on a work programme. Concerns were raised, however, relating to food security, trade, adaptation and offsets.

79. The group of African countries considered the issue of cooperative sectoral approaches as tricky. Accordingly, it cautioned against using such approaches indiscriminately for both developed and developing countries. In short, these approaches should not create additional constraints or incremental costs for developing countries. The Group of 77 and China stress that sectoral actions should be voluntary and compatible with an open international economic system.

(b) Various approaches to enhance the cost-effectiveness of, and to promote, mitigation actions

80. This section includes market mechanisms and corresponds to paragraph 1 (b) (v) of the Bali Action Plan, which calls for the enhancement of mitigations actions through various approaches, including market mechanisms and cost-effectiveness. Proposals have been tabled for new mechanisms, sectoral crediting and sectoral trading, and the crediting and trading of nationally appropriate mitigation actions.

81. The initial discussions on this issue focused on the criteria and conditions for designing market mechanisms. The group of African countries emphasized the need for regional distribution and is opposed to the crediting of nationally appropriate mitigation actions.

82. The follow-up discussion on this issue is likely to focus on criteria for market mechanisms since most Annex I parties support this approach. There are many proposals on this issue, demonstrating the multiplicity of challenges that need to be taken up. At the fifteenth session of the Conference of the Parties, however, many parties supported the discussion of both market-based and non-market-based approaches, while some preferred one or the other approach only.

(c) Economic and social consequences of response measures¹⁵

83. This issue derives from paragraph 1 (b) (vi) of the Bali Action Plan. For the group of African countries and developing countries as a whole, the adverse consequences of response measures – that is, the policies and measures implemented to respond to climate change – will affect poor countries. These negative effects are also expected to affect trade. That is why the group calls upon developed-country parties to scale up finance for adaptation and equitable compensation for those adversely affected by response measures, along with support for economic diversification. Efforts to minimize the adverse effects of measures taken in response to climate change are recommended by many countries, including the European Union, the group of African countries and others. In Copenhagen, no agreement was reached on the appropriate approach for exchanging information.

2. Review and classification of the different proposals and options

84. In its submission on mitigation, the group of African countries stressed the need to maintain the differentiation between mitigation commitments by Annex I country parties and the mitigation actions by developing countries. This dichotomy is necessary to thwart the endeavours by some developed-country parties to bring to the table the issue of differentiation among developing countries and to oblige some emerging economies to take on mitigation commitments. In addition to the differentiation issue, there are three other important issues to consider:

(a) For the mitigation commitments of developed countries, it is essential that specific figures are set, with a view to determining the range of the resulting emissions reduction; these figures will have direct implications for developing countries in terms of the degree of adaptation needed;

(b) The nationally appropriate mitigation actions that developing countries could enter into, and which could be the starting point for technology development and transfer;

(c) The provision of finance and the operationalization of monitoring, reporting and verification measures, to ensure that contributions are forthcoming.

85. Where specific figures for mitigation by developed countries are concerned, the group of African countries is calling for ambitious targets for the reduction of greenhouse gas emissions, to achieve at least a reduction of 40 per cent below 1990 levels by 2020 and at least 80–95 per cent below

¹⁵ This issue will be thoroughly examined under AWG-KP in another study commissioned by the United Nations Economic Commission for Africa.

1990 levels by 2050. Mitigation commitments by developed-country parties must therefore be at the top of the range indicated by IPCC to achieve the lowest stabilization levels. Under this scenario the best proposal will be one that endorses these targets or at least supports them. As things stand, the only significant proposal has been from the European Union, undertaking to reduce its greenhouse gas emissions by 20 per cent by 2020, and by up to 30 per cent provided other countries make comparable commitments. This, however, remains far from adequate.

86. Where nationally appropriate mitigation actions and REDD-plus are concerned, the most important question is the relationship between the two approaches. Discussions on nationally appropriate mitigation actions focused on the establishment of a registry, in which all actions by developing countries would be registered and potentially also matched with funding from developed countries. Proposals from Brazil and Tuvalu suggest that REDD-plus actions should be considered part of nationally appropriate mitigation actions. By contrast, Colombia and Panama suggest that nationally appropriate mitigation actions and REDD-plus should not be considered together.¹⁶

87. On REDD-plus, the revised negotiating text covers a large number of proposals from a large number of parties. Additional proposals were received from parties at the informal consultations in Bonn in August and thereafter. It became clear that, whatever the agreement reached at Copenhagen, discussions would continue beyond. It is likely that during the coming negotiations only a broad agreement on the main principles and modalities could be reached with all the technical details tabled for further negotiations. The scope of proposals in the negotiating text includes:

(a) On objectives, scope and guiding principles: These include proposals on a goal to halt forest cover loss in developing countries by 2030 and to reduce gross deforestation by 50 per cent by 2020; a phased approach to REDD-plus; integration of REDD into nationally appropriate mitigation actions; involvement of indigenous peoples and local communities; and establishment of a forest carbon mechanism;

(b) On means of implementation: These include proposals on the establishment of a readiness fund; establishment of a REDD-plus fund; establishment of windows under Convention funds; financing through public funds, such as a special fund for REDD; financing through markets; and a combination of market approaches and funds. Many proposals have been made on market-based approach, prefiguring the trend of the discussions;

(c) On the monitoring, reporting and verification of actions: This subsection includes proposals, for example on registration of national forest emissions levels in national schedules; recording of REDD-plus actions in a nationally appropriate mitigation action registry; establishing a global reference level; development of robust national monitoring systems; and verification by expert review teams;

(d) On the monitoring, reporting and verification of support: Some proposals put forward the view that the support by parties for REDD-plus actions in developing countries should be recorded in the nationally appropriate mitigation action registry; and that the task of monitoring, reporting and verification should be entrusted to a technical panel of experts;

(e) On institutional arrangements, including funds: These include proposals that the financial arrangements to support REDD-plus should be part of the financial framework proposed to support nationally appropriate mitigation actions; creating specialized funds, funding windows and a board; establishing a specific body to supervise REDD-plus actions; mandating an expert body to propose individual reference levels; and designating a national authority for participation in a REDD-plus mechanism.

3. Analysis of different negotiating scenarios that might emerge as the negotiations progress, and proposals on trade-offs for the group of African countries

88. In his scenario note for the eighth session (FCCC/AWGLCA/2009/16), the Chair of the Ad Hoc Working Group notes that the issue of mitigation was the most difficult. It must be recalled that, on the first day of the Bangkok talks, the United States delegation at one stage declared that it could not move forward in the discussions on mitigation and other agenda items unless a separate subgroup was established to explore the common elements on mitigation for all parties. The Group of 77 and China vigorously opposed the idea of creating this subgroup, viewing this as a blatant attempt to introduce different categories among developing countries. In the end, an over-arching contact group was

¹⁶ FIELD. "REDD-plus briefing paper". London: FIELD, 2009. 11 p. Accessible at: <http://www.field.org.uk/work-areas/climate-change-and-energy/climate-change/redd>

established to discuss all common issues under mitigation. Similarly, at the discussions in Barcelona, the group of African countries called for the work of the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol to be suspended because of the lack of significant pledges by developed countries to reduce their greenhouse gas emissions. While the best-case scenario would have been a strong commitment by Annex I parties in a legally binding instrument, that outcome proved impossible to reach in Copenhagen.

89. In the run-up to Mexico, the ideal scenario is that Annex I countries agree to reduce emissions by more than 40 per cent by 2020 compared to 1990 levels, and by more than 80 per cent by 2050, compared to 1990 levels. The worst-case scenario would then be that no agreement at all is reached on any specific targets.

90. The best-case scenario would be an agreement on the figures proposed by the group of African countries, with a greenhouse gas reduction target ranging between 25 per cent and 40 per cent by 2020 compared to 1990 levels and by 90 per cent by 2050 compared to 1990 levels. With the exception of Norway's pledge of 40 per cent, going by the current pledges by developed countries and groups of such countries, such as the European Union (20–30 per cent reduction compared to 1990 levels) and the United States (17 per cent reduction compared to 2005 levels), the negotiations are heading in the direction of the worst-case scenario. Thus, the African negotiators need to be firmer in their position and even to be more ambitious than they have been thus far. If they are aiming for the ideal scenario, they should support the AOSIS proposal calling for a more ambitious mitigation target.

91. The best hope for truly productive negotiations in Mexico is that key emerging and developing countries such as Brazil, China, India and Mexico have brought to the table their respective reduction targets that are more ambitious than targets set out by, for instance, the European Union and Japan. In addition, more and more countries have put forward proposals and made statements in the post-Copenhagen period. This stance may trigger a positive move among those developed countries that would want to take the lead in these negotiations. This notwithstanding, the group of African countries may need to focus on two issues that are of great importance to them in terms of mitigation, namely nationally appropriate mitigation actions and REDD-plus.

92. For the negotiations on REDD-plus to succeed, a number of conditions need to be met:

- (a) Due account must be taken of community forest management;
- (b) Strong incentives must be created that are of interest to the countries;
- (c) Endeavours must be made to reach a global agreement to address the problem;
- (d) A holistic approach to the problem must be adopted, which encompasses the issues of poverty reduction, biodiversity, food security, and agriculture;
- (e) Efficient monitoring systems must be established.

93. The progress made in Copenhagen on the recognition of the role of indigenous people and on key methodological guidance for developing countries notwithstanding, the negotiations on REDD-plus may fail to meet the high expectations of developing countries if:¹⁷

- (a) As a consequence of the international financial and economic crisis, no attractive funding is provided;
- (b) The measures and mechanisms adopted at the global level do not correspond to the needs on the ground and cannot be effectively operated by local communities on the ground. As the United Republic of Tanzania rightly recalled in Bonn, REDD needs to be considered as incentives for local communities to continue mitigation activities.¹⁸

4. Conclusions and recommendations

94. Where nationally appropriate mitigation actions are concerned, it is in the continent's interest to consider the potential of the cooperative sectoral approaches for the implementation of such actions in developing countries. Developed countries may contribute to their implementation through international sector-based programmes. This meshes well with the earlier advanced proposal on sectoral studies to the effect that African countries should start identifying targeted activities if they wish to take full

17 Futur Facteur 4. "Note de decryptage, V2: Options de negociation pour Copenhague", Paris: Futur Facteur 4, 2009. 40 p.

18 ENB: "Summary of the Bonn climate change talks, vol. 12 n. 427", available at <http://www.iisd.ca/vol12/enb12427e.html>.

advantage of the resources that may be provided for the implementation of nationally appropriate mitigation actions. It should be noted, however, that the sectoral approach will not be at all profitable for countries with economies based on one sector only.

95. To move forward, the immediate interest of African countries should be to support proposals that push for the expansion of eligible categories of activities to benefit from carbon credits and other international incentives that may be accepted. Such categories of activities would cover community forest management, sustainable land management, including sustainable agriculture, forest management, afforestation and reforestation.¹⁹

C. Enhanced action on adaptation and its means of implementation

1. Analysis of the concerns and negotiating positions

96. In response to the call in the Bali Action Plan for enhanced action on adaptation, many countries and organizations have proposed a wide range of focused actions and policy directions. This wide interest is due to the fact that, of the four building blocks of the Bali Action Plan, adaptation is the major concern of developing countries. This prompted the call by the Group of 77 and China for it to be given treatment equal to that accorded to mitigation. The Group also called for scaled-up funding, adequate and predictable financial resources. The main challenge in the current discussions is how to close the gap between the various proposals put forward, and the specific, urgent and immediate actions needed on the ground.

97. Most developed countries view the objective of the adaptation framework in terms of reducing the vulnerability and building the resilience of developing countries, galvanizing support, catalysing greater action, promoting climate-resilient development, etc. This objective will be met through international cooperation and will need to include risk management and risk reduction strategies. The group of African countries is of the view that this cooperation will need to focus on the urgent and immediate priority needs of the most vulnerable African and developing countries. In this regard, funding for these needs should come from public sources, be additional to official development assistance, and be subject to monitoring, reporting and verification.

98. Given the continent's high vulnerability to climate change, low adaptive capacity, coupled with the major challenges of development, particularly poverty reduction, the priority for the group of African countries is the development and implementation of a comprehensive international programme on adaptation, with scaled-up finance. The group maintains that this action-oriented programme is needed to undertake, support and facilitate urgent and immediate adaptation actions of all vulnerable groups.

99. In the discussions on objectives, scope and guiding principles, with reference to the IPCC fourth assessment report, which draws attention to severe consequences of climate change on the African continent, the group of African countries may call upon the international community to take into account adaptation priorities relating to water resources, agriculture, health, infrastructure, food and energy security, coastal resources management, and urban management. It is important that the adaptation priorities and activities should focus on the climate change vulnerable areas identified in the report, and more specifically the adaptation actions needed for an adequate response to reported climate impacts. The engagement and involvement of a wide range of stakeholders, including local communities, should also be considered.

100. Where means of implementation are concerned and, in particular, the issue of funding, African countries must bear in mind, with regard to the polluter pays approach, that the financial resources currently mobilized for adaptation in developing countries are very limited.²⁰ Even if there is some convergence among developing countries on the need to request scaled-up financial resources, this issue of funding will not be easily resolved and there may not be sufficient funding for all. It is therefore essential for African negotiators to balance the desire for strong normative principles with a more practical and realistic position. Thus, they may wish to rethink the suggestion that there should be a special adaptation fund exclusively for Africa.²¹

19 APF. "Enhanced action on mitigation of climate change". Addis-Ababa: APF, 2009. 5p.

20 APF. "Climate challenges to Africa: from Bali to Copenhagen". Rome: APF, 2009. 24 p.

21 Omenya, Alfred. "Towards Copenhagen: little progress on issues of concern to Africa in Poznan climate talks". Nairobi: Eco-Build Africa Trust, 2008. 11 p.

101. During the informal discussions held in Bonn in August 2009, the group of African countries requested assistance from developed countries for the purposes of costing adaptation. From a recent report by the International Institute for Environment and Development (IIED), the real costs of adaptation are likely to be between two and three times higher than estimates made by the Framework Convention on Climate Change.²² In the course of the current discussions, the group of African countries is requesting the provision of \$67 billion per year for developing countries by 2020. These countries should be provided with finance, technology and capacity-building corresponding to at least 0.5 per cent of the GDP of developed countries, in support of adaptation action, as climate change is an additional burden to development.

102. To enhance the capacity in Africa for the effective attainment of adaptation in Africa, proposals to establish regional adaptation centres must be supported. These proposals are aimed at addressing major capacity constraints and the non-existence and inadequacy of climate data, together with the lack of technical capacity. An unequivocal stance on regional centres will support the regional initiative of the Climate for Development in Africa (ClimDev-Africa) Programme and its Africa Climate Policy Centre (ACPC). It is in Africa's interest to stress the need for support to be given to national and regional efforts to improve climate data and information gathering and sharing. In the submission that constituted the outcome of the eighth session of the Ad Hoc Working Group, the group of African countries expressed its support for the establishment and, where appropriate, the strengthening of regional centres, network initiatives and coordinating bodies. The group should therefore maintain this position in future negotiations.

103. The issue of risk reduction, management and sharing is gaining importance in the negotiations. This is complementary to the adaptation policies and strategies that will be undertaken by the vulnerable countries. For most countries, risk reduction and management will help build long-term resilience in countries. The Hyogo Framework for Action and the Nairobi Work Programme would appear to constitute the framework tools for an agreement on this topic. At the 2005 World Conference on Disaster Reduction, in held Hyogo, Japan, 168 Governments committed themselves to action to reduce disaster risk and adopted guidelines on action to reduce vulnerabilities to natural hazards, called the Hyogo Framework for Action. The Hyogo Framework is aimed at supporting the efforts of countries and communities to become more resilient to and to cope better with the hazards that threaten their development gains. It is a global blueprint for disaster risk reduction efforts with a 10-year plan.²³

104. The Nairobi Work Programme, on the other hand, is a five-year programme (2005–2010) adopted at the twelfth session of the Conference of the Parties, in Nairobi, to assist all parties, in particular developing countries, including the least developed countries and small island developing States, to improve their understanding and assessment of impacts, vulnerability and adaptation to climate change and to make informed decisions on practical adaptation actions and measures to respond to climate change on a sound scientific, technical, social and economic basis, taking into account current and future climate change and variability²⁴. The Programme involves country parties, intergovernmental and non-governmental organizations, the private sector, communities and other stakeholders.

105. Under institutional arrangements, the European Union proposes to expand the scope of the Programme to transform it into a hub for information, knowledge-sharing and capacity-building at the national and regional levels. By contrast, AOSIS, China and some Latin American countries, including Bolivia (Plurinational State of), Colombia, Costa Rica, Ecuador, El Salvador, Panama, Peru, Uruguay and Venezuela (Bolivarian Republic of), support the creation of an adaptation committee that will provide advice and technical support, develop operational guidelines, etc. In Copenhagen, the group of African countries called for the establishment of an institutional framework on adaptation with an adaptation executive body and an adaptation window to facilitate funding from developed countries. Developed countries (Australia, the United States) have, on the contrary, always called for building on existing institutional arrangements, to avoid duplication.

2. Review and classification of the different proposals

106. All country parties generally agree to the need for massive efforts on adaptation in developing countries with scaled-up resources. Since the fourteenth session of the Conference of the Parties, in Poznan, the positions of negotiators have converged on the importance of regional centres, observation

22 IIED; Grantham Institute for Climate Change. "Assessing the costs of adaptation to climate change: a review of the UNFCCC and other recent estimates". Martin Parry et. al (eds). London: IIED; GICC; Imperial College, August 2009. 116 p.

23 For further information on the HFA, visit <http://www.preventionweb.net/english/hyogo/framework/>

24 See http://unfccc.int/adaptation/sbsta_agenda_item_adaptation/items/3633.php for further information.

and scientific information, knowledge-sharing, and adaptation planning. While developing countries, however, spearheaded by the Group of 77 and China, are calling for a comprehensive international action-oriented programme with scaled-up resources and legal obligations based on historical responsibility and Principle 21 of the 1972 Stockholm Declaration, developed countries oppose the creation of a legally binding adaptation framework. Views in many other areas diverge. These include the role of the framework Convention on Climate Change in adaptation and institutional arrangements, disaster risk reduction and insurance, and the approach necessary for creating an enabling environment for adaptation.

(a) Proposal by the group of African countries²⁵

107. The submission by the group of African countries on enhanced action on adaptation and its means of implementation is a little weak on institutional arrangements, but emphasizes a number of principles. It recognizes the importance of adaptation, and also the urgency and immediacy of the needed actions. In addition, the following principles have been identified:

(a) Action-oriented: The adverse effects of climate change are already being felt by the world's poorest and most vulnerable countries. Despite being responsible for just 3.8 per cent of total global emissions, African countries remain the most vulnerable to climate change and are already directly threatened by its impacts. Adaptation to climate change is thus not an option, but an essential priority. Accordingly, urgent actions on adaptation are needed. In this context, a global comprehensive framework programme for adaptation action has been proposed;

(b) Country-driven: Adaptation actions need to be conducted by a given country for that country. Only the country itself is fully aware of its own priorities. In line with this approach, the countries need to take the lead in the implementation of adaptation activities;

(c) Scaled up, new, additional, adequate, predictable and sustainable financial, technological and capacity support: The provision of financial support by developed countries to developing countries is of paramount importance for vulnerable countries. Developed countries need to compensate for loss and damage in line with their historical responsibilities, and the principle of responsibility and capability in the provision of resources. Agreement must be reached on easy and direct access to these resources. The scale of financial flows of \$67 billion per year by 2020 requested from developed countries to support adaptation in developing countries corresponds to 0.2–0.8 per cent of current global investment flows or a mere 0.06–0.21 per cent of projected global GDP in the year 2030. The request by the group of African countries is considered realistic²⁶ and developed countries could and should respond to it in an adequate manner.

(b) Proposal by the least developed countries

108. As the countries worst affected by global warming, the least developed countries have put forward a proposal on adaptation and its means of implementation, followed by further inputs. The proposal recognizes the urgency and immediacy of the actions needed to tackle the threat. There is a need for a comprehensive mechanism and structured approaches to enhance the implementation of the Convention.

109. In the establishment of the mechanism and disbursement of funds, reference is made in several contexts to equity and justice. The focus on a legally binding adaptation framework shows the importance that developing countries as a whole attach to arriving at an equitable agreement that will ensure compliance and justice for the most vulnerable among them.

110. There is indeed a need to build trust between developed countries and developing countries, in particular the least developed countries. It is public knowledge that, although there is now huge interest in and extensive reference to the national adaptation programmes of action during the adaptation discussions, to date no project on these national adaptation programmes of action has been brought to completion. This is partly due to the lack of sufficient funding, as developed countries have failed to honour their pledges. The funding of national adaptation projects has been very inadequate. Accordingly, least developed countries have appealed for the adequate, predictable and timely flow of new and additional financial resources. This is in line with the Convention principles and the specific

25 FCCC/AWGLCA/2009/MISC4 (Part I), accessible at: http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/4578.php

26 APF. "Enhanced action on adaptation to climate change". Addis Ababa: APF, 2009. 6 p. Background document to the special session hosted by the United Nations Economic Commission for Africa, September 2009, Addis Ababa.

principles identified by the African negotiators in terms of funding. In their submission of April 2009, the least developed countries urged the provision of at least \$2 billion for the implementation of national adaptation programmes of action.

111. Building trust between developed and developing countries by complying with the commitments expressed to date by developed countries through article 4, paragraphs 3, 4 and 7, of the Convention and by providing the long promised assistance will be essential for the success of the negotiations. Annex I countries need to live up to their obligations and provide developing countries with the much needed assistance by 2012. This will help create an equitable atmosphere conducive to the success of the negotiations.

(c) Proposal by the United States

112. The proposal by the United States on enhanced action on adaptation and its means of implementation first of all recognizes the magnitude and seriousness of this issue. The proposal also recognizes that adaptation is an integral part of development. It favours the involvement of all countries at the local, national, regional and international levels.

113. The many ideas put forward notwithstanding, however, the proposal fails to provide a clear vision of the means of implementation. The sections on finance, means of implementation and institutional arrangements lack the substance necessary in such a proposal. The proposal does not meet the concerns of developing countries relating to the urgency and immediacy of adaptation actions and the support that is needed. Indeed, the proposal recognizes that adaptation is a challenge for all countries, in particular, the most vulnerable ones, but it does not tackle the financial challenges facing developing countries in such areas as the implementation of national adaptation programmes of action.

(d) Proposal by Norway²⁷

114. In its proposal, Norway also recognizes the urgency of adaptation action and the need for scaled-up resources. Norway considers that enhanced support to adaptation should enable Governments, organizations and communities in their adaptation efforts. Since, however, there is no clear cut difference between development programmes and climate change adaptation actions, funding will be provided as part of official development assistance. Taking into account the comprehensive nature of climate change adaptation and the high level of funding needed, other sources of funding also need to be mobilized.

115. On institutional aspects, Norway's view is that efforts should be made to strengthen all the existing institutions and to develop the Nairobi Work Programme as a hub that will reinforce national and regional centres as resource bases for adaptation. The role of the Framework Convention on Climate Change on the other hand should be a catalytic one – providing an arena for guidance and coordination, and for securing financial resources to support climate change adaptation in poor and vulnerable countries.

116. Although Norway's position on adaptation has many interesting principles, it is not in Africa's interest. No clear financial means are proposed and, in addition, the proposal deviates from the principle of providing new and additional financial resources.

(e) Proposal by the European Union

117. The European Union proposal comprises a comprehensive framework for action on adaptation that is seen as a partnership between developed and developing countries that will improve resilience by prioritizing adaptation actions and supporting synergies with mitigation actions. While the least developed countries focus on adaptation actions, the framework for action on adaptation is proposed to mobilize support for adaptation action. The framework calls for country-driven activities that will facilitate the implementation of adaptation. The needs of the most vulnerable communities and groups will be prioritized and supported at the local, national, regional and international levels.

118. The framework for action on adaptation recognizes the need to take into consideration the urgent and immediate needs of the most vulnerable developing-country parties, in particular, the least developed countries and small island developing States, and African countries affected by drought such as Kenya. This is the language employed by the European Union, but it could just as easily be the language of African countries. The European Union plans to improve access to adequate, predictable and sustainable means of implementation, including finance, technology and capacity-building for

27 FCCC/AWGLCA/2009/MISC.4 (Part II).

adaptation. This is more or less in line with the call by the Group of 77 and China for direct access to adaptation finance that needs to be adequate, predictable and sustainable.

119. In the current negotiation process, the European Union is recognized as a key player, with an important voice. That the European Union has acknowledged this key position is evident from the number of proposals that it has put forward. Its proposal on adaptation focuses on international cooperation as the basis for the implementation of adaptation actions. African countries may consider supporting the proposal, provided that the framework for action on adaptation identifies specific activities for support.

Table 2
Summary of proposals and options on adaptation submitted by certain parties

	Countries	Favourable to Africa	Not favourable to Africa	Favourable if amended	Remarks
Adaptation	Group of African countries	Urgency and immediacy of actions Country-driven nature Adaptation action framework programme Scaled up, new, additional, adequate, predictable and sustainable financial support			
	Least developed countries	Urgency and immediacy of action need Equity and justice in establishment of funding mechanisms and disbursement \$2 billion needed for implementation of national adaptation programmes of action			
	United States		No focus on financial challenges facing developing countries		Does not address the urgency and immediacy of actions, and the support needed Need to clarify the involvement of all countries
	Norway	Recognizes urgency of adaptation	No clear financial means proposed Not in line with new and additional principles No new institutions, need to build efforts on existing institutions Funding through official development assistance		
	European Union	Considers urgent and immediate needs of least developed countries, small island developing States and African countries affected by drought Plans to improve access to adequate, predictable and sustainable means of implementation	Proposed framework for action on adaptation meant to mobilize support	If the framework for action on adaptation could identify specific activities to support	

3. Analysis of different negotiating scenarios that might emerge as the negotiations progress and proposals on trade-offs for the group of African countries

120. The discussion on adaptation is one of the most important for African countries because of the continent's high expectations for the outcome of the current negotiation process. Scant progress was made in Barcelona, where only some text was streamlined. During the session in Copenhagen, some progress was made concerning an adaptation framework or programme, the objectives and principles and categories of action. Indeed, the draft decision proposed in the outcome of the eighth session of the Ad Hoc Working Group refers to the establishment of an adaptation framework to enhance adaptation efforts and to allow coherent consideration of matters related to adaptation activities under the Convention.

4. Conclusions and recommendations

121. In general, the discussions on adaptation tend to focus on the following contentious issues:

- (a) Commitments by developed countries to provide financial resources and technology development and transfer;
- (b) Need for scaled-up, new, predictable and adequate finance for the adaptation framework, which must be grant-based and additional to official development assistance;
- (c) Role of the Framework Convention on Climate Change secretariat or the Conference of the Parties to the Convention;
- (d) Monitoring and verification of financial and technological support provided by developed countries.²⁸

122. Other contentious issues and differences highlighted in Copenhagen included vulnerabilities, response measures, a loss and damage mechanism, and the reporting of adaptation actions and support.

123. On the issue of risk reduction and institutional arrangements, the positions within the group of African countries need to be developed further. In particular, the strengthening of existing national and regional centres as proposed by the United States should be of interest to the continent. Existing centres such as ACPC need this support. In view of the continent's high vulnerability to climate change and its low adaptive capacity, coupled with its major development challenges, most notably the imperative to reduce poverty, the priority for the group is the development and implementation of a comprehensive international programme on adaptation, with scaled-up finance. This action-oriented programme is needed to undertake, support and facilitate urgent and immediate adaptation actions of all vulnerable groups. To achieve this, there is need to support proposals to establish regional adaptation centres.

124. By the same token, the group of African countries, which places great emphasis on the need to monitor, report on and verify the funding and technical support provided for adaptation, needs to articulate better its view on the monitoring and review section for the sake of consistency. In Copenhagen, the group proposed the establishment of a compliance mechanism. This is an important proposal and should be supported.

D. Technology development and transfer

1. Analysis of the concerns and negotiating positions

125. To date, there has been no effective development and transfer of environmentally sound technologies under the Convention, notwithstanding the creation of the Expert Group on Technology Transfer, whose objectives are to further the development and transfer of technology activities. The Expert Group's work has been more one of conceptualization, with a focus on technology needs assessments, enabling environments and mechanisms for technology transfer.

126. The Bali Action Plan called for enhanced action on technology development and transfer through paragraph (d) of its article 1, to support mitigation and adaptation. The areas covered include, first, mechanisms and means to remove barriers and promote access to environmentally-sound technologies in developing countries; second, mechanisms to accelerate the deployment, diffusion and transfer of affordable technologies; third, cooperation on research and development of current, new and

28 APF. "Enhanced action on adaptation to climate change". Addis Ababa: APF, 2009. 6 p. Background document to the special session hosted by UNECA, September 2009, Addis Ababa.

innovative technology; fourth, mechanisms and tools for technology cooperation in specific sectors. The task of measuring, reporting and verifying the technological support to developing countries also forms part of the actions to be undertaken under this pillar of the Bali Action Plan.

127. In the current negotiations, the focus is strongly on the future arrangements for technology development and transfer. This section of the negotiating text is one of the most difficult sections to follow. This was pointed out by several countries during the climate change discussion in Bonn.²⁹ The section comprises objectives, scope and guiding principles, a technology action plan, a technology needs assessment, enabling environments, capacity-building, a technology road map, collaborative research and development, measures to consider intellectual property rights, institutional arrangements, technology innovation centres and financial resources for technology.

128. On the basis of the Bonn discussions (FCCC/AWGLCA/2009/INF.2), a non-paper was issued in Bangkok relating to the technology mechanism to be proposed, the institutional arrangements, intellectual property rights, etc. Possible convergence was identified on objective, scope and guiding principles. The need for an internationally coordinated approach to technology development and transfer was recognized by all parties.

129. The Group of 77 and China was of the view that the priorities for consideration in the discussions should include: institutional arrangements; the importance of promoting action under the Framework Convention on Climate Change, a funding mechanism and an international action plan covering joint research and development. Other issues include intellectual property rights and innovation centres.

130. Parties also showed strong common interest in efforts to enhance technology needs assessments and, potentially, to integrate them into the preparation of nationally appropriate mitigation actions and national adaptation programmes of action. Technology needs assessments were seen as the primary tools for technology development and transfer. Enabling environments and capacity-building were also recognized as key elements in driving forward technology development and transfer and supportive policy and regulatory frameworks identified as important components of that process. Scaling up national efforts, strengthening South-South, North-South and triangular cooperation and providing research and development opportunities for developing countries were all deemed to be of importance for enhanced action in this area. The need was also identified for an institutional arrangement that would oversee implementation of technology development and transfer. The private sector, alongside certain technology innovation centres, was expected to play an important role. Negotiators agreed that the private sector could play an important role in scaling up financing for future enhanced action. The Group of 77 and China considered that such an institutional arrangement should facilitate and lead to specific actions.

131. A number of points of divergence were also identified, however. These relate mainly to the means of financing and institutional arrangements, among other things. Where intellectual property rights are concerned, there are strong differences between developing countries which want to overcome the barrier that intellectual property rights pose to access to technology, and developed countries such as the United States which vehemently oppose that aspiration. Developed countries have consistently maintained that intellectual property rights promote innovation and that ways must be found to reward innovators and scale up technology transfer and diffusion. On institutional arrangements, developed countries generally opposed the establishment of new institutions or mechanisms, preferring the continuation of existing institutions.

132. During the resumed seventh session of the Ad Hoc Working Group in Barcelona, key issues were discussed and integrated in the non-paper. These include language on options for the objectives of enhanced action on technology; the establishment of a technology mechanism, national policies and actions to support technology development and deployment. Options for bodies or frameworks were also discussed. These include a technology action committee, a technology mechanism and a climate technology centre or network. Proposals on the removal of intellectual property right barriers were also examined.

133. The main issues under consideration in Copenhagen at the eighth session of the Ad Hoc Working Group still included the establishment of a technology mechanism with a technology executive committee and a climate technology centre and network. Parties appeared to agree on that mechanism and some progress was achieved. They were not able, however, to agree on a clear linkage with the financial arrangements to be made.

29 ENB. "Summary of the Bonn climate change talks: 10–14 August 2009". Accessible at <http://www.iisd.ca/download/pdf/enb12427e.pdf>.

2. Review and classification of the different proposals

134. The section of the revised negotiating text on technology development and transfer has been modified several times, although the ultimate goal would seem to remain the same. The group of African countries has expressed its view that the technology development and transfer mechanism needs to be governed by the principles of equity and common but differentiated responsibilities. Other principles include accessibility, affordability, appropriateness and adaptability. Furthermore, the provision of technologies must be legally binding in the same way as finance and capacity-building.

135. A review of the proposals on technology development and transfer shows that, overall, they lacked clearly set objectives. The development and transfer of technologies in the context of climate change should be guided by clear targets which could include the objectives of extending renewable energies, developing and deploying adaptation technologies and ensuring access to energy and energy services for all. More important, given that the priority of African countries is sustainable development and poverty reduction, the focus of technology development and transfer should be to contribute to delivering on these objectives. Accordingly, it is in the interest of African countries to support proposals that embody these objectives.

136. During the resumed seventh session in Barcelona, the Group of 77 and China insisted that the negotiating text should include objectives, the delineation of national and international cooperative action, and also institutional and financing arrangements. In the proposal that it put forward in 2008, the Group of 77 and China deplored the inadequacy of the institutional arrangements. The Group considered that the focus should be on actions that would lead to the development and transfer of adaptation technologies.

137. Where principles are concerned, the group of African countries could take on board the Agenda 21 definition of environmentally sound technologies that encompasses know-how, procedures, goods and services and equipment. These ideas could be considered by the group of African countries in forthcoming discussions on the subject.

3. Analysis of different negotiating scenarios that might emerge as the negotiations progress and proposals on trade-offs for the group of African countries

138. Since Bangkok, some progress seems to have been made on the negotiating text. It appears that, in Copenhagen, the momentum for full negotiation was initiated by certain agreements that were noted. It is important for the group of African countries to ensure that the work of the technology centres is driven by national priorities and that their activities are guided by agreed technology road maps.

139. In this context, the most important aspect of the discussions will be the need to agree on a technology action plan and the role of financing. The group of African countries would need to ensure that Africa's huge potential for energy access and security is prioritized. In any negotiating scenario that may emerge, the continent should make sure that the barriers to technology development and transfer are addressed.

4. Conclusions and recommendations

140. The technology development and transfer section of the negotiating text focuses on advanced technologies and intellectual property rights. While these technologies and intellectual property rights are very important, the major concern for African countries should be the provision of support for the effective deployment and transfer of technologies in the areas that are of critical importance to the continent. These include agriculture, REDD, land-use, small-scale renewable energy. The identification of indigenous technologies relevant to climate change adaptation and mitigation could be scaled up and replicated. Regional centres of excellence and networks will be important in this context. Given that the importance and relevance of enabling activities has been recognized by all parties, support for these regional centres will be crucial for information gathering and sharing, and also for training. Support for the promotion of a more innovative and suitable intellectual property right regime will also be needed. In this regard, the engagement of the private sector is pertinent.

E. Enhanced action on financing

1. Analysis of the concerns and negotiating positions

141. The issue of the provision of financial resources, which corresponds to several articles of the Convention, as indicated by parties in their submissions,³⁰ is one of the hottest in the current negotiations. The section of the negotiating text on the provision of financial resources and investment covers objectives, scope and guiding principles; generation of financial resources; and institutional arrangements, including funds.

142. The objective is to establish a financial mechanism for the full, effective and sustained implementation of the Convention. The financial mechanism is intended to close the huge gap between the financial needs of developing countries to fully and effectively address mitigation and adaptation, and the level of financial resources currently available. The creation of a financial mechanism is crucial to promoting equity and justice. Where accountability is concerned, the Conference of the Parties is recognized in many proposals as the supreme body to provide guidance and authority, in full transparency, fairness, predictability, stability, feasibility, adequacy, inclusiveness and effectiveness, and also the equitable and balanced representation of all parties. In addition, the Group of 77 and China emphasizes that direct access to the funding should be made possible.

143. On the generation and provision of financial resources, the points at issue are the identity of the recipients, and the nature and level of the resources. The contributors of financial resources are developed-country parties and other developed parties included in Annex II to the Convention. These resources need to be adequate, new, predictable and additional to official development assistance. The amount of funding requested ranges between 0.5 and 1.5 per cent of developed countries' GDP. During the discussions in Bonn, participants considered whether the source of funds should be strictly the public sector, or a mix of public and private sectors. In general, developing countries prefer funding from a public source, while developed countries prefer the second option, highlighting the role that the private sector can play. The Group of 77 and China emphasizes the importance of assessed contributions, which in its view will contribute to the successful mobilization of financial resources. While the European Union agrees to the proposal on assessed contributions, the Group of 77 and China insists that financial resources provided outside the Convention will not be considered as meeting the commitments under the Convention.

144. In addition, the Group pointed out that the funds should be disbursed to developing countries in line with article 4, paragraphs 3, 4 and 5, of the Convention, with particular attention to the least developed countries, small island developing States and drought-stricken African countries. Priority for support should be given to the poorest and most vulnerable countries. In particular, vulnerable populations, groups and communities including women, children and minorities should be prioritized. Financial resources should therefore be provided for specific actions.

145. Least developed countries emphasize that funds need to be allocated for adaptation, mitigation, technology transfer and capacity-building in a balanced manner. Priority should be given to adaptation, however. Adaptation-related activities that should be provided with agreed full incremental costs include adaptation technologies, the preparation and implementation of national adaptation programmes of action, resilience-building activities such as sustainable agriculture, sustainable livelihood, etc.

146. Other issues relate to the preference for a programmatic approach to resource provision that could be grant-based, in the form of concessional loans and guarantees.

147. Where the sources of financial resources are concerned, several categories could be cited, including assessed contributions, carbon market-based contributions, auctions of emissions allowances, and charges and levies or taxes on emissions or on specific activities. With reference to the concerns mentioned above, some of these sources are problematic. Section 2 below sets out the proposed sources and financing arrangements, highlighting certain policy options.

148. On institutional arrangements, including funds, many arrangements for financing have been made and concerns expressed. As noted by South Africa during the discussions in Bonn, it would be difficult to agree on appropriate institutional arrangements until there is common understanding of the principles and functions. In this context, developing countries emphasized the importance of direct access. African countries expressed the view that the discussion on institutional arrangements must consider how to facilitate access by developing countries to financial resources. In addition, coherence

30 Articles 4, paragraphs 1, 3, 4, 5, 8, 9, and 11, paragraphs 1, 2 and 5 of the Convention.

and accountability are other main areas of concern for developing countries. Developed countries wanted to focus the discussions on areas of convergence related to the functions.

149. The Group of 77 and China have stressed that the institutional arrangements should establish the operational details of a financial mechanism under the Conference of the Parties. The operating entity should comprise the following bodies: a secretariat, a scientific advisory panel, a monitoring and evaluation panel, and a trustee or trustees. To ensure transparent and efficient governance, other possible components of the structure should include a consultative group of all relevant stakeholders and an independent assessment panel. Equity, balanced representation of all parties, transparency, efficiency, easy accessibility and low administrative costs will characterize the governance of the financial mechanism. Access to the various funding sources should also be facilitated to reduce fragmentation of the funds.

150. In the Indian version of the Group of 77 proposal, the Conference of the Parties will decide on the mechanism's policies, programme priorities and eligibility criteria. Separate specialized windows for projects, programmes and actions aiming at mitigation, adaptation and technology transfer are proposed. A specialized assessment unit will assist each funding window under the authority of the Executive Board and will constitute the operating entity of the financial mechanism. These thematic assessment units will undertake the relevant assessments for disbursement. In the guiding principles, India indicated that the structure of the financial mechanism should meet the specific requirements laid down under article 11, paragraphs 1 and 2, of the Convention. This financial mechanism will enable, enhance and support mitigation and adaptation actions by developing-country parties through the provision of financial resources to meet the agreed full incremental costs of such actions, including the cost of technology transfer.

151. Still under institutional arrangements, a number of specialized funds have also been proposed under the authority and guidance of the Conference of the Parties. These include a multilateral technology acquisition fund, a technology risk facility, a venture capital fund, a technology grant programme for research and development and other funds as presented here below.

152. The multilateral climate technology fund (also presented as the multilateral technology acquisition fund) is also proposed to provide technology-related financial resources on a grant or concessional basis to stakeholders, in particular owners of patented climate-friendly technologies, to implement the development, deployment, diffusion and transfer of technologies. It will fund the licensing of intellectual property rights, research and development, capacity-building, technology needs assessments, know-how and information sharing and development of national policy instruments.

153. A global fund to support a feed-in tariff programme is proposed by Pakistan to provide guaranteed purchase prices of energy from renewable sources for a period of 20 years. The aim is to induce a shift to renewable energies without compromising development in developing countries, and also to realize economies of scale.

154. A compliance mechanism will be established to review the compliance by developed countries with their commitments and to define non-compliance parameters, penalties and fines.

2. Review and classification of the different proposals and options

155. Many countries and groups of parties have proposed options for raising new and additional financial resources for adaptation and mitigation in developing countries and have also put forward suggestions on institutional arrangements in terms of governance. The proposals aim to generate revenue through action in the carbon market, carbon or international travel-related taxes or levies, or from conventional official development assistance funding sources derived from the contributions of Annex I Governments. They can be categorized into assessed contributions, carbon market-based contributions, auctions of emissions allowances, charges and levies or taxes on emissions or on specific activities, and hybrid sources. The discussions on finance are very important, since financial support for mitigation and adaptation is one of the minimum requirements for the achievement of a successful agreement for the post-2012 period. For developing countries, finance will make or break the process.³¹

156. Given the importance of financing climate change for Africa, a number of key submissions are reviewed here to provide African negotiators with sufficient information to support their negotiating positions. The review will focus on some proposed financing options including proposals by the Group of 77 and China; by Mexico; by Norway; by Switzerland; by Tuvalu; by the European Union; and by the United Kingdom of Great Britain and Northern Ireland, with its document entitled "Road to

31 ENB, 10 April 2009.

Copenhagen”. Finally, the recent joint Mexican-Norwegian proposal will also be examined to assess its interest for the African continent. Certain policy options will be derived from this review.

(a) Proposal by the Group of 77 and China

157. The proposal on an enhanced financial mechanism, put forward by the Group of 77 and China, is based on defined budgetary contributions from Annex I countries. This important proposal by developing countries, including the group of African countries, is based on the core principles of the Convention and proposes that, under public spending, Annex I Governments should contribute between 0.5 and 1 per cent of their gross national product. The funds would reflect Annex I commitments under article 4, paragraph 3, of the Framework Convention on Climate Change (that funding will be new and additional and over and above official development assistance) and would support activities outlined in article 4, paragraphs 1, 4 and 9, of the Convention. The estimated sum of \$150–\$300 billion will be directed towards the mitigation, deployment and diffusion of low-carbon technologies, research and development, capacity-building, preparation of national action plans, patents, and adaptation for developing countries. The proposal also stipulates that the future financing mechanism:

- (a) Should be underpinned by equity and common but differentiated responsibilities;
- (b) Should operate under the authority and guidance of the Conference of the Parties;
- (c) Should have an equitable and geographically balanced representation of all parties within a transparent and efficient system of governance;
- (d) Should enable direct access to funding by recipient countries;
- (e) Should disburse funds mostly on a grant basis;
- (f) Should ensure recipient country involvement, rendering it truly demand-driven.

158. Budgetary contributions could provide substantial funding and the Group of 77 and China proposal is likely to raise the largest volume of funds that are new and additional. In this regard, the proposal is in the interest of Africa. At the same time, however, this proposal will be politically risky, given that it is based on defined national budgetary contributions and on pledges that can easily be diverted by domestic budgetary processes. In addition, given that Annex I parties are hesitant about establishing a new international funding institution, the Group will have to campaign vigorously in support of the need to operationalize such a fund, as opposed to existing institutions. Considering the agreement reached at Copenhagen on the Green Climate Fund and the fast start financing, it is possible that Annex I parties could support the proposal if the Group strongly advocates the need for the proposed mechanism. The scale of the request, however, and the fact that even old official development assistance promises have not been met will render it difficult to support this proposal. Only an assessment of the contributions may help lend this proposal some viability, in contrast to the old promises of official development assistance that have not been met, as they have never been assessed or made subject to monitoring, reporting and verification.

(b) Proposal by Mexico

159. Mexico’s proposal for a world climate change fund – sometimes referred to as a “green fund” – suggests that countries should contribute on the basis of their historical emissions, population and income. Some of the money could be raised by budgetary contributions from each country determined by an unspecified formula using the above criteria, but could also come from new financial resources such as auctioning permits in domestic cap and trade systems, taxing air travel, etc., to avoid putting excessive pressure on public financing.³²

160. Put forward within the framework of the Bali Action Plan, Mexico suggests the creation of a new fund (at least \$10 billion per annum for mitigation in the initial start-up phase, rising over time to \$95 billion by 2030). Although it would focus primarily on mitigation, it recognizes adaptation as a key objective and recommends a 2 per cent adaptation levy to be placed on contributions to the fund (to flow to the Adaptation Fund under the Kyoto Protocol). No formula for allocating funds is described but only countries contributing to the mechanism can receive funding, with a waiver for least developed countries. A governance structure is proposed, with an executive council accountable to the Conference of the Parties, and the administration of the fund will be entrusted to an existing multilateral institution chosen by the Conference of the Parties.

32 UNFCCC, Mexico’s submission to the Ad Hoc Working Group**, 2008.

161. The Mexican proposal faces an obstacle in that Annex I parties are hesitant to establish a new international funding institution. Although the proposal has received some positive attention, notably from the European Union, it is strongly opposed by the Group of 77 and China, which maintains that the proposal does not comply with the principles of the Convention, in particular, its article 4 on the provision of funds. The proposal introduces a differentiation between developing countries with regard to accessing financial resources and the Group of 77 (including the group of African countries), is resolutely resistant to the proposed contributions from developing countries, based on the principle of common but differentiated responsibilities.³³

162. If the requirement that developing countries should contribute to the fund is removed, the proposal could gain much stronger political support. While the scale of funds proposed is significant, the stipulation that the majority of funds would be used for mitigation activities may be contentious, given that developing countries prioritize adaptation over mitigation. In addition, if budgetary contributions are heavily relied upon, the reliability and adequacy of the funds may be undermined.

(c) Proposal by Norway

163. The Norwegian submission proposes the auctioning of a share of assigned amount units (AAUs), distributed to parties under the Kyoto Protocol. The underlying funding principle is to auction a certain share of these AAUs at the international level to generate revenue, rather than giving them out for free to domestic firms of Annex I countries that have to comply with emission reductions. The funds raised will contribute to the fulfilment of the financial commitments of countries that have taken quantified emission reduction objectives and will be used for adaptation and capacity-building as the primary areas for funding. The projected revenue to be raised is of the order of \$20–\$30 billion per annum. This figure is based on assumptions that 2 per cent of AAUs are auctioned and all developed countries take on quantified economy-wide commitments corresponding to the lowest emission scenarios of IPCC, including a 2° C scenario.³⁴

164. This proposal is innovative, involves a degree of autonomy and could be combined with other revenue raising options. The money raised would be international in provenance and could be traced back to any single Annex I country. The Norwegian proposal would lend itself to combination with all the other proposals analysed in the present document.

165. Germany currently runs a similar programme at the national level on a bilateral basis, generating revenues through the European Union emissions trading scheme. The United States is also considering engaging in such a scheme.

166. From 2013, there will be a generalized auctioning process in the European Union for energy installations and, in other sectors, a progressive phasing-in towards the objective of 100 per cent of allowances auctioned in 2020, and large amounts of funds could be transferred to developing countries, primarily targeted towards adaptation and capacity-building.

167. It is important to note that reserve prices established to deliver greater and more predictable levels of finance will be resisted by developed-country Governments, as costs would be passed on to their consumers, while rents would be captured elsewhere.³⁵ Accordingly, while political support for the auctioning of AAUs is strong, the significance and predictability of financial flows from this mechanism should not be overestimated.

(d) Proposal by Switzerland

168. The global carbon adaptation tax proposed by Switzerland focuses on financing for adaptation. Funds are raised by placing a global uniform tax of \$2 per ton of CO₂ equivalent (tCO₂e) on all fossil fuel emissions in all countries, according to the polluter-pays principle. A free emission level of 1.5 tCO₂e per capita would be applied to all countries, creating an exemption for those with extremely low emissions levels (primarily the least developed countries). The revenue generated from this tax, which is expected to be around \$48.5 billion per annum, would flow into, first, national climate change funds established in all countries that contribute payment (all but the least developed countries), to be used according to domestic priorities; and, second, a multilateral adaptation fund where funds would be spent exclusively on adaptation in low-income and middle-income countries. The multilateral adaptation funds are further divided into two so-called “pillars”; an insurance pillar and a prevention

33 Pendleton & Retallack, 2009.

34 It is unclear what the Norwegian proposal assumes as the price of carbon.

35 Pendleton & Retallack, 2009.

pillar. The share of revenues generated under the multilateral adaptation fund depends on the economic situation of the countries, with high-income countries paying the most.

169. The appeal of a global carbon tax is that it provides a predictable level of finance, which could be placed in an international fund. Since, however, revenues from taxes will first be collected through the national treasury before the funds are transferred into an international fund, there is a risk that the funds will be less predictable and reliable than funds generated under truly international processes. Such regulations can be changed overnight depending on domestic needs and the political will. Equity is also a concern, given that part of the generated funds will be derived from developing countries. This proposal has been criticized for using a uniform tax, as such a tax would not take into account historical emissions.³⁶ The issue could be addressed by implementing a higher tax rate in countries with greater historical emissions.

(e) Proposal by Tuvalu

170. Tuvalu proposes a burden-sharing mechanism under which funding would be raised through levies on emissions trading and international aviation and maritime transport. Exemptions would apply to all flights and maritime freight to and from least developed countries and small island developing States. Specifically, Tuvalu proposes the establishment of a multilateral fund for climate change with five funding windows including, first, a mitigation window; second, a REDD window; third, an adaptation window; fourth, an insurance window; and, fifth, a technology window. The Fund will be supervised by a board and operate under the authority and guidance of the Conference of the Parties; priority of funding will be given to adaptation.

171. The creation of a financial and technology mechanism to address all aspects of cooperation on technology for mitigation and adaptation is also presented by Tuvalu. The structure of this mechanism comprises two separate executive bodies, for each of the two pillars (adaptation and mitigation), and technical advisory panels.

172. Levies on emissions and taxes on emissions from international maritime and aviation transport may be affected by the global financial crisis if the downturn leads to a reduction in overall economic activity, which would reduce the revenue coming from such a levy. These proposals, however, are likely to be more reliable than proposals that tie the revenue to the price of carbon.

(f) Proposal by AOSIS

173. AOSIS proposes the establishment of a Convention adaptation fund that will be linked to greenhouse gas emissions on the polluter-pays principle. This new fund will not replace the existing adaptation fund and will be placed under the authority of the Conference of the Parties. All new financing would be provided under the authority and governance of the Conference of the Parties. A multi-window mechanism is also proposed, to address loss and damage for climate impacts with insurance, rehabilitation and risk management components.

174. Funds that are supposed to be new, additional and predictable will be disbursed on grant basis and generated from assessed contributions of 0.5 per cent of GDP by developed countries, and also from an agreed share of proceeds of new market-based mechanisms and the private sector. The auctioning of AAUs and raising of levies are endorsed as possible sources of funding. The disbursement of the funds will prioritize least developed countries and small island developing States as the most vulnerable countries and direct access is proposed. The fund should be up and running no later than the sixteenth session of the Conference of the Parties, scheduled for 29 November–10 December 2010.

(g) Proposal from the European Union

175. In its proposed contribution to shaping the global climate change regime, the European Union highlights multiple possible sources of financing and emphasizes the carbon market as a source of finance. During the climate talks in Accra in 2008, the European Union recognized the need to scale up, mobilize and optimize finance and investments flows to deliver new, adequate, predictable and sustainable financial resources for adaptation in developing countries. The European Union considers that public funding will play an important role in this undertaking. Developing countries maintain that the bulk of the needed funding should come from the public sector.

36 ENB, 7 April 2009.

176. In its communication, the European Union estimates that around 90 billion euros per year will be needed for mitigation in developing countries and, by 2030, a total of 23–54 billion euros per year will be needed for adaptation.

177. This figure has been reviewed by the European Commission in its communication dated 10 September 2009. The financial need for mitigation and adaptation in developing countries is now estimated at a total of at least 100 billion euros by 2020, with 22–50 billion euros coming from public sources. These figures were again highlighted in Barcelona, where the European Union clearly mentioned that the bulk of these funds will be constituted by assessed contributions.

178. The European Commission estimates that public and private finance in developing countries, excluding least developed countries, will cover between 20 and 40 per cent of the costs, the carbon markets will cover 40 per cent, the international public finance will cover 40 per cent and the European Commission itself estimates its share between 10 and 30 per cent.³⁷ It must be recalled that the Group of 77 and China resolutely opposes the proposal by Mexico, which suggests that developing countries should make contributions. If the same suggestion were to be made here, comparably resolute opposition would be put forward by the Group of 77 and China, including African countries.

(h) Proposal by the United Kingdom³⁸

179. This proposal does not put forward any new solutions but rather endorses a combination of components of the Mexico and Norway proposals. It estimates the needs for financing adaptation, mitigation, forestry, technology and capacity-building at a total of \$100 billion by 2020. The proposal does not focus on the urgency and immediacy of the needs of developing countries, but rather on the long term. Thus it prioritizes balanced governance, support for country-led priorities, effective delivery leveraging existing channels, and transparency. The proposal puts emphasis on low carbon development strategies, the carbon market as a source of finance and a need for a strong monitoring, reporting and verification system. On governance, a new coordinating body under the Framework Convention on Climate Change is proposed.

180. The fact that this proposal does not focus on national adaptation programmes of action and the urgent and immediate needs of developing countries renders it unappealing to Africa. Furthermore, by endorsing the Mexican suggestion relating to assessed contributions based on emissions and the ability to pay, this proposal is of very little interest to the African continent, which has been defending the polluter-pays principle.

(i) Proposal by the United States

181. In Bangkok, the United States showcased its proposal for a global fund for climate change. The proposal envisages the continuation of the Global Environment Facility (GEF) as an operating entity of the financial mechanism and proposes contributions from developing countries under the principle of common but differentiated responsibilities. Only least developed countries would be exempted but the contributions would be voluntary. Just as the Mexican proposal was rejected by developing countries, this proposal was also opposed by the Group of 77 and China, and also by the group of African countries. It is not in the interest of the African continent to support this proposal, which is contrary to the spirit of the Convention as enunciated in its article 4.

(j) Other proposals

(i) Share of proceeds

182. During the fourteenth session of the Conference of the Parties in Poznan, developing countries suggested a levy on joint implementation and emissions trading projects to raise funds for climate change. Some proposals suggested that a percentage of those resources should be used to provide funding for adaptation. The discussions came to a dead end, however, with the Russian Federation opposing the extension of the 2 per cent share of proceeds to the other Kyoto Protocol carbon-market mechanisms. Moreover, the revenues from carbon market-linked mechanisms could be affected by fluctuations in the price of carbon.

37 ECO, 28 September 2009.

38 British Department of Energy and Climate Change (2009).- The Road to Copenhagen: the UK Government's case for an ambitious international agreement on climate change. Accessible at: <http://centralcontent.fco.gov.uk/central-content/campaigns/act-on-Copenhagen/resources/en/pdf/road-full-document-pdf>.

183. It was also suggested, by Singapore, that the proceeds from measures to limit or reduce emissions from international aviation and maritime transport should be shared. As shown above, however, such carbon-based contributions lack the necessary political support.

(ii) Joint proposal by Mexico and Norway

184. In Copenhagen, Mexico and Norway decided to launch a joint model for climate funding. The model, which seeks to establish a green fund for financing climate adaptation and mitigation actions in developing countries, will be based on contributions from various complementary sources of funding: budget funding, international and domestic auctioning of AAUs, and other comparable sources. The fund is set to start with some \$10 billion in 2013 and is expected to reach \$30 billion to \$40 billion by 2020. The objective of the model is to enhance the certainty and predictability of climate finance and to guarantee the availability of adequate and sufficient resources.

185. Although the proposal seems interesting, some gaps have been noted and the proposal would be considerably improved if these could be filled. The model does not clarify how the disbursement of funds will be made and it does not introduce a compliance mechanism or monitoring, reporting and verification provisions. Despite the fact that the model prioritizes least developed countries and the most vulnerable countries for their adaptation efforts, there is no mention of short-term finance and no mention of the balance between adaptation and mitigation. While the auctioning of AAUs is a reliable source of funding, no percentage is proposed for the amount of AAUs to set aside for this green fund.

Table 3
Summary of proposals and options on finance submitted by certain parties

	Parties	Favourable to Africa	Not favourable to Africa	Favourable if amended	Remarks
Finance	Group of 77 and China	Contribution by developed countries of 0.5–1% of GDP Likely to raise the most funds for Africa Equity and common but differentiated principles Direct access, role of Conference of the Parties New and additional Establishment of new mechanism	National budgetary contributions can be easily diverted; risky		Old official development assistance promises have not been met. Need for a compliance mechanism to make the proposal work.
	Mexico	Primary focus is mitigation, but adaptation recognized as key objective	All countries to contribute Heavily relies on budgetary contributions	If the requirement of developing countries' contribution is removed Primary focus on mitigation.	If amended the proposal could be combined with other proposed mechanisms. Developed countries were reluctant to support the establishment of new institutions but this position has changed with the creation of the Green Fund with the <u>Copenhagen Accord</u> .
	Norway	Reliability and predictability of revenue Scale of revenue to be raised is significant Innovative			This proposal is compatible to be combined with all of the other proposals
	Switzerland	Finance adaptation	Less predictability and reliability because collected through national treasuries Uniform tax including developing countries Lack of equity	Introduce higher tax rates for countries with greater historical emissions.	The proposal does not take into account historical emissions.

Fi	Parties	Favourable to Africa	Not favourable to Africa	Favourable if amended	Remarks
	AOSIS	Polluter pays principle Under authority and governance of Conference of the Parties Multi-window Grant-basis disbursement Priority to least developed countries and small island developing States			
	Tuvalu	Inclusion of greenhouse gas emissions from international aviation and maritime fuels (known as “bunkers”), with exemption of least developed countries and small island developing States Under authority and guidance of Conference of the Parties Priority to adaptation			
	United Kingdom		A combination of Mexico and Norway proposals No focus on adaptation or national adaptation programmes of action	If the polluter pays principle is introduced	
	Mexico and Norway	Potential for reliability and predictability of revenue from some sources; innovative Priority to least developed countries and small island developing States in adaptation Multiple sources; REDD-plus	Lack of clarification on number of issues No short-term finance; No direct access; No review process	If identified gaps are filled; Can introduce historical responsibility Introduction of short-term finance; Balance between mitigation and adaptation	Needs to be further developed and clarified

3. Analysis of different negotiating scenarios that might emerge as the negotiations progress and proposals on trade-offs for the group of African countries

186. The institutional framework for financing to enable the full, effective and sustained implementation of the Framework Convention on Climate Change is another area of major difference between developing and developed countries. Developing countries want a comprehensive structure that is in line with the Convention and is under the direct guidance and authority of the Conference of the Parties. The Group of 77 and China were the first to put a detailed proposal on the table in 2008. By contrast, developed countries prefer relying on existing institutions such as GEF and the World Bank.³⁹ There are also some proposals to introduce some reform in the existing institutions. Some developed countries (the United States and the European Union) also suggested that developing countries – except the least developed among them – should become contributors to the new financial architecture. These are some of the differences of opinion between developed and developing countries. In Copenhagen, most of the discussions centred on institutional arrangements and the same differences emerged again. A non-paper was eventually produced on commitment to operationalize the financial mechanism, the establishment of the fund or funds, governance, and other issues. The negotiations on finance may therefore be expected to be very difficult. Given the breakthrough reached in Copenhagen with the creation of the Green Climate Fund under the Copenhagen Accord and the setting up of the high-level panel, however, an agreement could well be envisaged on the creation of new mechanisms.

187. The following paragraphs set out some possible scenarios and options.

188. One of the key questions under the institutional arrangements related to the choice between the strengthening of existing mechanisms advocated by developed countries and the establishment of new ones, including new funds for specific purposes.⁴⁰ It is likely that existing climate change financial institutions would continue to operate at least for some time. The agreement reached in Copenhagen on the financial assistance to developing countries shows, however, that it is possible to reach a deal on the creation of new mechanisms. Developing countries have therefore much to gain in advocating the creation of a robust effective financial architecture that takes into account their concerns.

189. In the run-up to Copenhagen, there were hints about a merger of the Mexican and Norwegian proposals. Now that this has happened, the group of African countries needs to review the gaps identified earlier to determine how this new proposal could benefit the continent and contribute to combating climate change.

190. In terms of scenarios and in terms of public finance for mitigation, the ideal scenario would be a scale of \$100 billion per annum by 2020, with \$15 billion in the near term and no double counting. The worst imaginable scenario would be the failure to pledge funding for mitigation at any scale at all, meaning that financing would be based on markets only. A good scenario would be to reach \$60 billion per annum by 2020, \$10 billion in the near term with no explicit double-counting but at least recognition of co-benefits. A bad scenario would be to receive large pledges, explicitly double-counted, with no public money for mitigation.

191. As far as adaptation finance is concerned, the ideal scenario would be to reach an agreement on at least \$67 billion per annum by 2020 as requested by the group of African countries, all new and additional to official development assistance, with grant-based disbursement as proposed by the group. Here the worst imaginable scenario would be that no new and additional funds were contributed by developed countries and that the little gained would be disbursed through loans. A good scenario would be to reach \$50 billion per annum by 2020, with the majority of funds disbursed on a grant basis. A bad scenario would therefore be to reach \$40 billion per annum by 2020, not additional to official development assistance and disbursed through loans, and with no insurance scheme.

4. Conclusions and recommendations

192. Based on the review of the proposals, the conclusions below are drawn and recommendations put forward.

193. An assessment of contributions from Annex I parties is very important, to ensure that the proposal from the Group of 77 and China and similar proposals are rendered effective. Old promises of

39 See ENB. Summary of the Copenhagen Conference: 7–19 December 2009, 30 p.

40 UNFCCC. Negotiations on financing issues under the Ad-Hoc Working Group on Long-term Cooperative Action: An overview, Paris, September 2009, 9 p.

official development assistance have not been met, as they have not been effectively assessed or passed through a process of monitoring, reporting and verification.

194. The auctioning of AAUs is an innovative mechanism and could be supported by the group of African countries because it is a more reliable and predictable modality for raising revenue. The money raised is not national in principle and cannot be traced back to its source. This means that the combined version of the Mexican and Norwegian proposals could be supported if some of the identified gaps were filled.

195. Similarly, generating revenue through levies, taxes and charges would provide a genuinely predictable level of financing and this approach should be given due attention. There is a risk, however, that funds will be less predictable than those generated under genuinely non-national processes, since revenues from taxes will first be collected through the national treasury.

196. Where institutional arrangements are concerned, it is likely that existing institutions will continue to operate at least for some time. The breakthrough reached in Copenhagen with the fast-start financing and the creation of the Green Climate Fund under the Copenhagen Accord proves, however, that developing-country negotiators can maintain their stance on the need to put in place new institutions that have a clear function and sound governance structure.

F. Capacity-building

1. Analysis of the concerns and negotiating positions

197. The impacts of climate change are expected to be significant and, very possibly, catastrophic for the continent. The economic, social and environmental ramifications of climate change will be massive, given the continent's low adaptive capacity and capability to respond effectively.

198. In the Framework Convention on Climate Change process, there is consensus on the need to build capacity to address global environmental change, especially in the most vulnerable parts of the world. Although, however, the need to assist the most vulnerable countries in developing their resilience to climate change was recognized from the outset, capacity-building was only introduced as a separate agenda item in the discussions in 1999, at the fifth session of the Conference of the Parties.

199. Several proposals on the four building blocks of the Bali Action Plan discussed above include aspects of capacity-building. Thus, the capacity-building section of the negotiating text is one of the shortest. It comprises subsections on the principles, the scope of capacity-building support, the institutional arrangements, the measurement of support and action, and financial resources.

200. Some areas of potential convergence were identified during the discussions in Bonn. These include principles drawn from decision 2/CP.7, which relates to the needs of least developed countries, institutional strengthening, building capacity to develop and implement mitigation and adaptation actions, plans and programmes, and the need to report on the activities and support received.

201. The areas of divergence are numerous. These relate to: the provision of capacity-building support to developing countries, along with the delivery of financial support and technology transfer, as a legally binding obligation of developed countries, with implications for non-compliance; the establishment of a specific support mechanism; the establishment of performance indicators for monitoring, reporting and verification; the establishment of a dedicated multilateral fund; the provision of financial resources for capacity-building under the governance of the Conference of the Parties, alongside the issue of performance indicators for measuring support for and the implementation of capacity-building activities.

202. The need to build human and institutional capacity to address the adverse effects of climate change is one of the fundamental demands of developing-country negotiators and, in particular, African negotiators, ever since the commencement of the negotiations on climate change. In Bangkok and Barcelona, the positions remained unchanged. Decisions were reached at the fifth session of the Conference of the Parties to address capacity-building in an integrated manner, and agreement reached on guiding frameworks at its seventh session.

203. In this context, developed countries have been calling for an integrated approach to addressing capacity-building matters. By emphasizing that capacity-building cuts across all the elements of the Bali Action Plan and that it should be integrated throughout the negotiating text and not considered as a separate section, developed countries (Australia, Japan, Norway, the European Union and others) are in effect expressing their reluctance to engage in a discussion that for them will result in further commitments and an increased burden. The negotiations on capacity-building will probably be very

difficult because of the attendant financial implications. The proposals to move the text on financial resources to the finance section and the proposal to create subsections on capacity-building in all the chapters of the negotiating text are more or less self-explanatory. At the fifteenth session of the Conference of the Parties, parties were unable to reach agreement on those same issues for the same reasons.

204. The Group of 77 and China has expressed the view that capacity-building should be discussed in a separate section of the negotiating text. To this end, the Group requested a stand-alone section and proposed a mechanism to facilitate financing.

205. In Africa, the crucial challenges to capacity-building include language barriers, limited financial and human resources, limited research infrastructure, lack of communication between science and society, the weak link between science and policy, and the lack of clear national strategies. Accordingly, the key issues to be addressed would be the development and implementation of relevant policies; the generation, assessment and dissemination of scientific and technical knowledge; and the integration of scientific and technical knowledge into politics and development.⁴¹

2. Review and classification of the different proposals and options

206. Capacity-building is one of the major concerns of African countries. Yet it is one of the weakest in terms of specific proposals for the negotiations. As mentioned earlier, many capacity-building related proposals have been made under each of the Bali Action Plan building blocks. However, very few proposals have been made in the capacity-building section of the negotiating text. In fact, Switzerland in its proposal is suggesting that capacity-building should be part of the adaptation and mitigation chapters.

207. The Group of 77 and China, of which the group of African countries forms part, is of the view that a specific capacity development and support mechanism should be established with the support of developed-country parties. This proposed mechanism is intended to deal with the specific capacity-building needs of developing country parties, in particular, least developed countries, small island developing States and African countries. The targeted activities would include training (subregional training of trainers), mentoring and learning-by-doing activities among other measures:

- (a) To empower relevant institutions at various levels, taking into account the need for stand-alone capacity development activities at various levels;
- (b) To enhance observation, research and knowledge management;
- (c) To strengthen endogenous capacities;
- (d) To strengthen communication, education and awareness-raising at all levels, especially at the local and community levels;
- (e) To strengthen and use the regional networks of information and knowledge-sharing, including indigenous knowledge-sharing;
- (f) To share the experiences, information and best practices of developing countries and regions including Africa, Asia, Latin America and the AOSIS countries;
- (g) To assess, strengthen and mobilize the capacities of existing relevant facilities and institutions in least developed countries and small island developing States, in Africa and in other developing countries;
- (h) To strengthen and use data for systematic observation, early warning, modelling, disaster-preparedness and capacity evaluation and monitoring;
- (i) To strengthen capacity for modelling and needs assessments related to adaptation, mitigation, financing and technology;
- (j) To develop tools, methods and technologies and to support their application;
- (k) To encourage and strengthen participatory and integrated approaches in planning and decision-making, including the meaningful participation of various non-governmental actors.

208. The European Union proposal considers capacity-building as continuous, progressive and iterative. The European Union agrees that capacity-building needs to be country-driven, focused on

41 Scholes, Bob, et. al.- Global Environmental Change: including climate change adaptation in Sub-Saharan Africa. Pretoria: ICSU, 2008.-32 p.

specific needs, integrated into development planning with the broad participation of all stakeholders. This is in line with the position of developing countries that have been advocating capacity-building both for and by developing countries.

209. Where African countries are concerned, beyond developing the capacities of African institutions, there is an urgent need adequately to address the needs of the African negotiators and to build and strengthen their capacities. They play a crucial role in shaping the climate change regime and will ultimately be instrumental in implementing the Convention at the local, national and regional levels. To this end, the group of African countries should table a capacity-building proposal based on these elements to demonstrate their seriousness and readiness adequately to address the capacity-building needs of the continent in relation to the implementation of the Convention.

3. Analysis of different negotiating scenarios that might emerge as the negotiations progress and proposals on trade-offs for the group of African countries

210. The divergence in terms of the approach (integrated or stand-alone) to addressing capacity-building in the negotiations may persist. Given, however, that the integrated approach could represent a more efficient means of addressing capacity-building issues, the group of African countries may wish to consider supporting it. Furthermore, very few proposals have been made on capacity-building as a stand-alone issue, thus making it more compelling to consider the capacity-building proposals under the different elements of the negotiating text.

211. During the Barcelona discussions, participants focused on the implementation of capacity-building and the related institutional arrangements. A streamlined approach was followed in Bangkok, resulting in one non-paper to be considered. If developing countries want their submissions to be considered seriously, they will need to demonstrate clearly that existing arrangements for the delivery of capacity-building are inadequate. In this context, they will need to identify new functions and emerging needs that existing institutions will not be able to meet, as developed countries are reluctant to support the creation of new mechanisms, which will entail the provision of additional resources. Accordingly, solid arguments would need to be tabled to convince them.

4. Conclusions and recommendations

212. There is consensus that developing countries need capacity-building to deal adequately with the adverse impacts of climate change and to implement the Convention. This recognition has been translated into several decisions of the Conference of the Parties. What is now needed is to address the gaps in the delivery of capacity-building, an undertaking which necessitates enhanced financial support and technology transfer.

213. The group of African countries should underscore the need for institutional and human resource development through funding, focused training (including subregional training of trainers), mentoring and learning-by-doing approaches, among other measures. The development of performance indicators for monitoring and evaluation of the support and implementation of capacity-building activities is also important. This will promote effective reporting and feedback to ensure that support is in line with the provisions of the Convention and that the desired impacts are achieved.

214. The second comprehensive review of the capacity-building framework that was agreed to by parties at the seventh session of the Conference of the Parties was expected to be completed by the Conference's fifteenth session in December 2009. The Conference decided, however, to defer its consideration and scheduled the adoption of its results for its sixteenth session. The results of this review will probably influence the discussions and decisions to be adopted in Mexico.

IV. Overall conclusions and policy recommendations

215. The climate change negotiations have reached a crucial stage. This review started with the 53-page draft document on long-term cooperative action prepared by the Chair at the sixth session of the Ad Hoc Working Group and continued as the text evolved through successive versions, growing with the proposals and clarifications put forward by country parties. These proposals have been outlined and examined from the African perspective with a view to better informing the African negotiating positions. Based on the analysis of the negotiating texts, the following recommendations are proposed:

A. Shared vision

216. There is a need to frame the discussions around the principles of equity and historical responsibilities of developed countries. This will help direct the discussions at a shared vision that focuses on the right for developing countries to sustainable development and poverty reduction.

B. Adaptation

217. Recent studies show that the real costs of adaptation are likely to be two to three times higher than estimates made thus far, in particular by the Framework Convention on Climate Change. Accordingly, there is a need to adopt a strong stance on mitigation commitments by developed countries and at the same time demand the implementation of adaptation measures, and also on their monitoring, reporting and verification, taking into account the urgency and immediacy of the needs of the most vulnerable countries. The provision by developed-country parties of financial, technical and capacity-building resources for adaptation programmes in developing countries should be legally binding and susceptible to monitoring, reporting and verification. These resources are needed to address all key areas of the Adaptation Action Programme and should be new, sufficient, predictable and sustainable. The proposed amount of \$67 billion per year by 2020 is realistic and the negotiators should maintain their position on this. The group of African countries may wish to support the strengthening of national and regional centres to sustain the continent's Adaptation Action Programme.

C. Mitigation

218. Considering the low level of current greenhouse gas emissions by the continent, and given the opportunities provided through the nationally appropriate mitigation actions, African negotiators should push for the expansion of eligible categories of activities to benefit from carbon credits and other international incentives in a post-2012 climate change treaty. This should include sustainable land management, and in particular sustainable agriculture, community forest management, afforestation and reforestation programmes. Indeed, there is potential to tap into the sectoral approaches for the implementation of nationally appropriate mitigation actions. To this end, African countries should start preparing sectoral studies to identify targeted activities to take full advantage of the nationally appropriate mitigation actions.

219. At the same time, Africa, as the continent most vulnerable to climate change, should demand a drastic reduction of emissions by Annex I countries. For many Annex I countries, there is already a significant gap between the Kyoto objectives and their actual emissions (see table 4 below). Achieving an emissions reduction rate of 85 per cent by 2050 requires a net reduction of 4.6 per cent per year, which many countries may not attain, unless certain drastic measures are taken in terms of the massive substitution of fossil fuels and energy-saving alternatives.

Table 4

Actual trends of greenhouse gas emissions by country in percentage of reduction or increase in comparison with the 1990 level

<i>Country</i>	<i>Kyoto objective</i>	<i>2006</i>
Australia	+8%	+8%
Austria	-13%	+15,2%
Belgium	-7,5%	-6%
Bulgaria	-8%	-46,2%
Canada	-5,2%	+35%
Croatia	-5%	
Czech Republic	-8%	-23,7 %
Denmark	-21%	+1,7%
Germany	-21%	-18,5%
Estonia	-8%	-55,7%
European Union	-8%	-7,7%
Finland	0%	+13,1%
France	0%	-4%
Greece	+25%	+24.4%
Hungary	-6%	-31,9%
Iceland	+10%	-

<i>Country</i>	<i>Kyoto objective</i>	<i>2006</i>
Ireland	+13%	+25,5%
Italy	-6,5%	+9,9%
Japan	-6%	+13%
Latvia	-8%	-55,1%
Liechtenstein	-8%	-
Lithuania	-8%	-53%
Luxembourg	-28%	+1,2%
Monaco	-8%	
Norway	+1%	+9%
New Zealand	0%	-13% (est. at 2012)
Netherlands	-6%	-2,6%
Poland	+ 6%	-28,9%
Portugal	+ 27%	+38,3%
Romania	-8%	-43,7%
Russian Federation	0%	
Slovakia	-8%	32,1%
Slovenia	-8%	+1,2%
Spain	+15%	+49,5%
Sweden	+4%	-8,9%
Switzerland	-8%	
Ukraine	0%	
United Kingdom	-12,5%	-16%
United States	-7%	17%

Source: Futur Facteur 4, 2009.

D. Finance

220. In relation to the new financing mechanisms that have been proposed, African negotiators should consider the following:

(a) Support for revenue-raising mechanisms based on the auctioning of AAUs and levies on emissions from international maritime and aviation transport, as these have the potential to provide new, predictable and additional resources for their financial needs;

(b) Support for the Mexican proposal, provided that developing-country financial commitments are removed, that such a fund is linked to innovative mechanisms to avoid placing excessive pressure on public financing, and that more of the funds are earmarked for adaptation; the Mexican-Norwegian financing proposal made in Copenhagen could represent a breakthrough proposal owing to the potential reliability and predictability of financial flows under the proposal. The group of African countries could consider how the gaps in the proposal relating to direct access, monitoring, reporting and verification, short-term finance and review process could be addressed;

(c) The proposal by the Group of 77 and China, which is in the interest of Africa. Relying on budgetary contributions is risky, however, as the funds can be easily diverted to other important funding activities;

(d) Given that a strong and unified position is crucial to generate the required financing, the group of African countries may wish to consider forming alliances with other parties to push for adequate resources for adaptation funding. The group needs to continue pushing for appropriate grant-based financing for adaptation;

(e) Continued support for a new institutional structure to oversee financial flows, managed by the Conference of the Parties, but also bearing in mind that existing funds are likely to continue for at least some time;

(f) Continued insistence on direct access to funds and the equitable allocation of funds;

(g) Continued pressure on developed-country parties to honour their past commitments to build confidence and trust. African country parties will gain a great deal by speaking with one voice and forming alliances with other developing-country parties.

E. Technology development and transfer

221. The group of African countries should focus on the development and deployment of adaptation technologies, and ensuring access to energy and energy services by means of clean and renewable energy technology deployment. It is in the interest of African countries to come up with new proposals to further this interest.

F. Capacity-building

222. Capacity-building should be continuous, progressive, iterative, country-driven and focused on specific needs. It should be integrated into development planning with the broad participation of all stakeholders. Being the most vulnerable continent, Africa will need urgent and immediate actions to build its resilience to climate change and to adapt to it.

223. There is an immediate and urgent need adequately to address the needs of African negotiators and to build and strengthen their negotiating capacities, given the crucial role that they play in shaping the climate change regime and ultimately in implementing the Convention at the local, national and regional levels. To this end, the group of African countries should develop a strong and comprehensive proposal on capacity-building to demonstrate their seriousness and readiness to address this important matter.

224. In most cases, the positions adopted by the group of African countries appear to be minimalist. The group may wish to consider moving one step higher in terms of ambition, as only the most ambitious targets are likely to yield the desired results.

Annex

Brief review and analysis of the Copenhagen Accord

Background

1. The Copenhagen Conference in December 2009 was intended to mark the deadline for the negotiations that had been launched under the two-track process to produce a legally binding treaty. For the secretariat of the Framework Convention on Climate Change and many participants, the expected results of the fifteenth session of the Conference of the Parties were fourfold:⁴²

(a) Ambitious emissions targets from industrialized countries: reducing global emissions by 40 per cent by 2020, compared to 1990 levels, with a view to keeping the increase in global temperature to below 2°C;

(b) Reliable and predictable finance to support mitigation and adaptation actions by developing countries, with \$10 billion a year up to 2013 needed to kick-start immediate action;

(c) Reducing deforestation by 50 per cent in 2020 and halting it altogether by 2030, with international financial support;

(d) Creating a legal framework or mechanism for the monitoring and verification of the financial and emission reduction commitments.

2. As the discussions came to a standstill and it became clear that no ambitious agreement would be reached during the last days of the negotiations in Copenhagen, the Copenhagen Accord was pushed through by a few heads of State to avoid a disastrous outcome. At the final plenary session of the Conference, there was no consensus on the Accord, because of its content and the view that the process leading up to its creation had not been sufficiently inclusive. Country parties finally took note of the Accord without formally adopting it, while deciding to extend the discussions under the two-track processes of the Ad Hoc Working Group on Long-Term Cooperative Action and the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol. The Accord itself is therefore not legally binding.

3. The sections below set out a brief review and analysis of the Copenhagen Accord, taking into account the high expectations that the international community had of the Conference and the possible implications and areas of interest of the Accord to the African continent.

I. Overview

4. The Accord is a political achievement that some consider as an outline for a future agreement to combat climate change. On substance and procedure, it was opposed by many country parties, a number of developing countries, with Venezuela, Bolivia, Cuba, Sudan, Tuvalu and Nicaragua in the forefront.

A. Mitigation

5. The Accord makes a provision to keep the rise of the mean global temperature to below 2° C, in recognition of the science of climate change. The provision on mitigation by developed-country parties does not, however, quantify a long-term goal for emissions reduction. Developed countries are not committed to a legally binding reduction and no target date is set for the peaking of global emissions. While it does not contain any quantified emission reduction goal for specific parties, the Accord requests both developed and developing countries to submit their emissions target for 2020, which is to be attached to the Accord. A quick evaluation of the impact of the reduction pledges made by both developed and developing countries to date shows that a reduction in emissions of only 13 per cent could be achieved, as opposed to the necessary level of 40 per cent by 2020.⁴³

42 See 1. Yvo de Boer's press conference on the expectations of the fifteenth session of the Conference of the Parties on 9 December 2009, accessible at <http://www.comfu.org/index.php/videos/104-Yvo+de+Boer+briefs+the+press+on+expectations+for+the+Copenhagen+climate+change+conference?userid=111>; 2.- FARACO, Benoit. « Analyse des résultats de Copenhague ». FNH, December 2009, 5p.

43 HOUSER, Trevor.- Evaluating Copenhagen: Does the Accord Meet the Challenge? Accessible at: <http://www.iie.com/realtime/?p=1173>.

6. On nationally appropriate mitigation actions, the Accord reflects the consensus view that these actions they should be registered and that supported nationally appropriate mitigation actions should be assessed through a process of monitoring, reporting and verification.

B. Adaptation

7. Adaptation is recognized in the Accord, especially for the most vulnerable countries. Enhanced international cooperation is needed and the support should come from rich countries.

C. Technology development and transfer

8. The Accord establishes a technology mechanism to enhance technology development and transfer in support of mitigation and adaptation. No details are provided, however, on how this would be achieved.

9. As noted earlier, some progress was made concerning technology transfer. That said, however, the most important issue that will need to be resolved to ensure an ambitious post-2012 regime is the level of funding. Other issues include intellectual property rights and the structure, governance and scope of the proposed technology mechanism.

D. REDD-plus

10. The importance of REDD-plus, supported by a market-based approach was recognized in the Accord. The discussions on this item within the Framework Convention on Climate Change process have made good progress, including decisions on key methodological guidance for developing countries, but this is not reflected in the Accord. On funding, there are early indications that 20 per cent of the short-term fund (see section E on finance below) to be established by the Accord will be allocated to REDD-plus activities.⁴⁴

E. Finance

11. Financial assistance has been proclaimed by some as the most successful part of the Accord.⁴⁵ The Accord establishes a collective commitment for developed countries to provide new and additional resources to fund mitigation and adaptation actions in developing countries. A total of \$30 billion will be provided over the period 2010–2012 for short-term financing. In this regard, adaptation funding is prioritized for the most vulnerable countries. For long-term financing, an amount will be provided of \$100 billion a year by 2020. Although the level of the agreed figures is low, the Accord reflects developed countries' promises to fund developing countries' mitigation and adaptation efforts. This funding will also be available to developing countries for REDD-plus actions. Finally, the Accord also calls for the establishment of a Copenhagen green climate fund as an operating entity of the Framework Convention on Climate Change.

12. The Accord stresses that funding for developing countries must be adequate, predictable and sustainable and that it should come from new and additional sources – in line with the principles endorsed by the group of African countries. No details have been provided, however, regarding how the money will be raised or how the green climate fund will be managed.

13. From the information available to date, some countries have already made funding pledges. These include the European Union, France, Germany, Japan, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America. As at 4 March 2010, the total commitments amounted to \$8.15 billion for 2010; \$8.42 billion for 2011; and \$7.28 billion for 2012.⁴⁶ Although these commitments are clear, the delivery of the pledges is still uncertain and the additionality of the funds still needs to be clarified, as well as their sustainability and governance.⁴⁷ In this context, as far as the management of the long-term commitment is concerned, it should be noted that the United Nations has put in place a high-level advisory group on climate change financing, led by

44 See Reports of the Global Canopy Programme accessible at <http://www.globalcanopy.org/main.php?m=120&sm=169&bloid=49>.

45 ENB, Summary of the Copenhagen Conference, 7-19 December 09, 30 p. Accessible at <http://www.iisd.ca/vol12/enb12459e.html>.

46 WRI. Summary of Climate Finance Pledges Put Forward by Developed Countries, 4 p. Accessible at: <http://www.wri.org/stories/2010/02/summary-climate-finance-pledges-put-forward-developed-countries>.

47 Roberts, J.T., Stadelmann, M., Huq, Saleem.- Copenhagen's Climate Finance Promise: Six Key Questions.- IIED Briefing, February 2010. Accessible at: <http://www.iied.org/pubs/pdfs/17071IIED.pdf>

Ethiopia and the United Kingdom. This panel will develop a plan for a mechanism that will be discussed by Conference of the Parties at its sixteenth session.

II. Implications for Africa

14. As at 25 March 2010, 117 countries (including the 27 member States of the European Union) were likely to engage with, or have already engaged with, the Accord,⁴⁸ representing 83.25 per cent of global emissions. Of these, 30 are African countries. Five – Cuba, Cook Islands, Ecuador, Kuwait and Nauru – have given indications that they will not associate themselves with the Accord.

15. Although the Copenhagen Accord is recognized by many countries and observers as a weak agreement, given its lack of meaningful content and non-legally binding nature, it is receiving the backing of more and more countries, including African countries. In consequence, for the African countries which are the most vulnerable and which support the Ad Hoc Working Group two-track process, there is a need to clarify their respective position vis-à-vis the Accord. If the Copenhagen Accord process completely sidelines the established two-track process of the Framework Convention on Climate Change, African parties must ensure that the Accord process leads to a legally binding treaty, with stronger commitments by developed countries in terms of mitigation and finance and a robust global climate policy framework for financing. Endorsement of this weak agreement, however, will weaken the continent's ability to secure more ambitious emission reduction targets by developed countries. The way forward would then be to seek coalition with other vulnerable countries or groups of countries.

48 <http://www.usclimatenetwork.org/policy/Copenhagen-accord-commitments>.

References

- AMCEN (2008) “African climate platform to Copenhagen”. Confidential. Algiers: AU.
- APF. “Climate challenges to Africa: from Bali to Copenhagen”. Rome: APF, 2009. 25 p. Accessible at: http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/african_group_sub_mission_lca_april_2009.pdf
- APF. “Climate challenges to Africa: from Bali to Copenhagen”. Rome: APF, 2009. 24 p.
- APF. “Enhanced action on adaptation to climate change”. Addis Ababa: APF, 2009. 6 p. Background document to the special session hosted by ECA, September 2009, Addis Ababa.
- APF.- Enhanced Action on Mitigation of Climate Change.- Addis-Ababa: APF, 2009.- 5 p.
- APF. “Climate change and Africa”. Berlin: APF, 2007. 28 p.
- CCC. “An analysis of adaptation as a response to climate change”, ed. Bosello, Francesco et al. Copenhagen: CCC, 2009. 77 p.
- CLIMATICO. “Copenhagen debriefing: an analysis of COP 15 for a long-term cooperation”, January 2010, 28 p. Available at <http://www.climaticoanalysis.org>.
- Document FCCC/AWGLCA/2009/8 followed by the revised text FCCC/AWGLCA/2009/INF.1 accessible at : http://unfccc.int/documentation/documents/advanced_search/items/3594.php?rec=j&preref=600005358#beg
- ECO, 28 September, 2009.
- Earth Negotiations Bulletin. “Summary of the Bonn climate change talks: 10–14 August 2009”, accessible at <http://www.iisd.ca/download/pdf/enb12427e.pdf>
- Earth Negotiations Bulletin: “Summary of the Bonn climate change talks”, vol. 12 n. 427, available at <http://www.iisd.ca/vol12/enb12427e.html>
- Earth Negotiations Bulletin: “Summary of the Copenhagen Climate Change Conference: 7–19 December 2009, 30 p., available at <http://www.iisd.ca/vol12/enb12459e.html>
- Field. “REDD-plus briefing paper”. London: Field, 2009. 11 p. Accessible at: <http://www.field.org.uk/work-areas/climate-change-and-energy/climate-change/redd>
- Futur Facteur 4. “Note de décryptage, V2: Options de négociation pour Copenhagen”, Paris: Futur Facteur 4, 2009. 40 p.
- Guerin, Emmanuel; Wemaere, Matthieu. “The Copenhagen Accord: what happened? Is it a good deal? Who wins and who loses? What is next?” IDDRI Le Debat, 8–9 December 2009, 10 p.
- Harmeling, Sven et al (2009). “Funding sources for international climate policy: a criteria-based analysis of the options discussed under the UNFCCC”. Bonn: Germanwatch.
- Houser, Trevor. “Evaluating Copenhagen: does the Accord meet the challenge?” Accessible at: <http://www.iie.com/realtime/?p=1173>.
- IEPF. “What priorities for Africa in the negotiations? Possible amendments by Africa delegates on the Ad Hoc Working Group negotiating text”. [Montreal]: IEPF, 2009. 10 p.
- IIED; Grantham Institute for Climate Change. “Assessing the costs of adaptation to climate change: a review of the UNFCCC and other recent estimates”. Martin Parry et. al (eds).- London: IIED; GICC; Imperial College, August 2009. 116 p.
- Omenya, Alfred. “Towards Copenhagen: little progress on issues of concern to Africa in Poznan climate talks”. Nairobi: Eco-Build Africa Trust, 2008. 11 p.
- Pendleton, A, Retallack, S (2009) “Fairness in global climate change finance”. Institute for Public Policy Research (IPPR).
- Roberts, J.T., Stadelmann, M., Huq, Saleem. “Copenhagen’s climate finance promise: six key questions”. IIED Briefing, February 2010. Accessible at: <http://www.iied.org/pubs/pdfs/17071IIED.pdf>

- Scholes, Bob, et. al. "Global environmental change: including climate change adaptation in Sub-Saharan Africa." Pretoria: ICSU, 2008. 32 p.
- UK Department of Energy and Climate Change (2009). "The Road to Copenhagen: the UK Government's case for an ambitious international agreement on climate change". Accessible at: <http://centralcontent.fco.gov.uk/central-content/campaigns/act-on-Copenhagen/resources/en/pdf/road-full-document-pdf>
- UNECA. "Financing climate change adaptation and mitigation in Africa: key issues and options for policy-makers and negotiators". Addis Ababa: UNECA, 2009. 42 p.
- UNFCCC (2008). "Mexico's submission to the Ad Hoc Working Group: specific proposals on enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation". (FCCC/AWGLCA/2008/).
- UNFCCC (2009) "Negotiations on financing issues under the Ad-Hoc Working Group on Long-term Cooperative Action: An overview. Background Document, Paris, September 2009, 9 p. Accessible at: <http://www.oecd.org/dataoecd/14/63/43684029.pdf>
- UNFCCC (2009). "Fulfilment of the Bali Action Plan and components of the agreed outcome". FCCC/AWGLCA/2009/4 (part II), 18 March 2009. Accessible at: <http://unfccc.int/resource/docs/2009/awglca5/eng/04p02.pdf>
- UNFCCC (2009). "Key elements of LCA negotiation text". Submitted by Algeria on behalf of the African group, 8 April 2009. Accessible at: http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/african_group_submission_lca_april_2009.pdf
- UNFCCC (2007). "Bali Action Plan". Accessible at: unfccc.int/files/meetings/COP_13/application/pdf/cp_bali_action.pdf.
- UNFCCC (2007). "Investment and financial flows relevant to the development of an effective and appropriate international response to climate change". Bonn.
- Winkler, Harald. "Climate change mitigation negotiations, with an emphasis on options for developing countries". Cape Town: ERC, 2008. 45 p.
- WRI. "Summary of climate finance pledges put forward by developed countries". 4 p. Accessible at: <http://www.wri.org/stories/2010/02/summary-climate-finance-pledges-put-forward-developed-countries>.
-