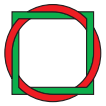

Wuppertal Institute
for Climate, Environment
and Energy

Sands Are Running Out for Climate Protection

The Doha Climate Conference Once Again Saves the UN Climate Process While Real Climate Action Is Shelved for Later

By Wolfgang Sterk, Christof Arens, Nicolas Kreibich, Florian Mersmann, Timon Wehnert

Wuppertal, December 2012

Content

1. Introduction

Once again the UN climate process has been saved at the eighteenth Conference of the Parties (COP 18) to the United Nations Framework Convention on Climate Change (UNFCCC) and the ninth Conference of Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 8). In an unprecedented manoeuvre on Saturday evening, with the conference already a full day in overtime, COP President Al-Attiyah rush-gavelled through the key decisions in 2 minutes and overruled Russia's procedural objection. In the last days of the conference, many had already seen the talks close to collapse and were wondering whether a COP 18bis would need to be reconvened in 2013, as had been the case after the collapse of COP 6 in The Hague in 2000.

The last-minute drama was hardly corresponding to the agenda of the conference, which was little visionary. It included finalisation of the rules for the Kyoto Protocol's second commitment period, finishing the negotiation track on enhanced action that was started in Bali in 2007, and agreeing a work programme for the new negotiation track that is to deliver a new comprehensive agreement by 2015. Doha was therefore from the beginning dubbed a "transitional" conference.

However, climate change is apparently not waiting for the slow timetables of diplomats. The Doha meeting took place at the end of a year of increasingly stark warnings both on paper and delivered by mother nature herself. The US has suffered and is still suffering from a record drought, foreshadowing the permanent dust bowl the US Midwest is probably going to be turned into by climate change.[1] Hurricane Sandy submerged vast swaths of the US East Coast including New York, prompting "Businessweek" to run its frontpage under the headline, "It's Global Warming, Stupid".[2] In September, Arctic sea ice reached a new record low, 50% below the long-term average.[3] The World Bank in a report published shortly before the conference warned of "cataclysmic consequences" if climate change was not reined in.[4] And while the conference was ongoing, the Philippines were battered by "Bopha", a typhoon of near-unprecedented strength that caused hundreds of deaths.

"Bopha" prompted Naderev Saño, the lead negotiator of the Philippines, to make an passionate appeal to action to his fellow delegates, noting, "even as we vacillate and

[1] Romm, Joseph (2011): Desertification: The next dust bowl. In: Nature 478, pp. 450–451.
[2] It's Global Warming, Stupid – Businessweek, www.businessweek.com/articles/2012-11-01/its-global-warming-stupid, accessed 20 December 2012.
[3] BBC News - Record minimum for Arctic sea ice, http://www.bbc.co.uk/news/science-environment-19652329, accessed 20 December 2012.
[4] New Report Examines Risks of 4 Degree Hotter World by End of Century, http://www.worldbank.org/en/news/2012/11/18/new-report-examines-risks-of-degree-hotter-world-by-end-of-century, accessed 13 December 2012.

procrastinate here the death toll is rising. …If not us, then who? If not now, then when? If not here, then where?"

However, overall the UN climate process continued plodding along its beaten path with hardly any sense of urgency on the side of the large emitters, reducing the countries that are most vulnerable to the impacts of climate change to fight for bread crumbs. While some have tried to label the agreement of a second commitment period under the Kyoto Protocol as "historic", the commitments of most countries are hardly better than business as usual. It speaks volumes that a provision to prevent countries from adopting emission targets that are higher than their current emissions was one of the issues that brought the conference to the brink of collapse. Industrialised countries also provided no clarity on the continuation of climate finance for developing countries, and the work programme for the negotiation of a new comprehensive climate agreement by 2015 and for revisiting the level of ambition for the period pre-2020 ended up being much less specific than many had hoped.

This report lays out the main developments in Durban and assesses the main outcomes. The first chapter outlines the overall state of play coming into Doha. The subsequent chapters covers the negotiations on the future of the Kyoto Protocol, and the discussions under the Durban Platform on developing a new comprehensive climate agreement by 2015 and increasing short-term ambition, and further near-term action under the UNFCCC.

2. The General Picture Before Doha

With the first commitment period of the Kyoto Protocol set to expire at the end of 2012 (though not the Kyoto Protocol as a whole), the future framework of international climate policy had been very much in doubt up to the climate conference in Durban in 2011. According to the Bali roadmap for a future climate agreement that was agreed at the Bali climate conference in 2007, negotiations for a future agreement have proceeded under two tracks. First, the Ad Hoc Working Group on Further Commitments by Annex I Countries (= industrialised countries) under the Kyoto Protocol (AWG-KP), has been negotiating new targets for a second commitment period post-2012 as well as associated rules for accounting emissions. Second, the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) has also been negotiating commitments for Annex I countries, intending to cover those that have not ratified the Protocol – that is, the USA. In addition, the LCA has negotiated on "Nationally appropriate mitigation actions" (NAMAs) of developing countries, which are to be supported by industrialised countries with technology, financing and capacity-building. Both the actions and the support are to be "measurable, reportable and verifiable". The LCA has also negotiated how such support for developing countries' mitigation actions

may be delivered as well as how developing countries may be supported in adapting to the impacts of climate change.

Both tracks were to culminate in a new agreement at the Copenhagen climate conference in 2009. However, the conference nearly fell apart and only the controversial "Copenhagen Accord" emerged in the end, which was not even agreed to by all countries in the plenary.

This fallout was mainly caused by fundamental differences of opinion on who should contribute how much to the fight against climate change and in particular who should go first. The so-called developing countries have pointed to the historical responsibility of the so-called developed countries for creating the climate problem and insist that Annex I countries should therefore take the lead in combating climate change, as they committed to in Art. 3.1 of the UNFCCC. The G-77 and China have therefore wanted the Kyoto Protocol to continue as a reflection of industrialised countries' historical responsibility, in parallel to a separate outcome under the LCA. They have held a continuation of the Protocol to be a key prerequisite for maintaining the distinction between industrialised and developing countries. Creating a unified treaty would in their view blur this distinction and create a "slippery slope" where developing countries would soon also be asked to adopt binding emission targets. They have therefore aimed for two separate results from the two AWGs: On the one hand new post-2012 emission targets for Annex I countries under the Kyoto Protocol and on the other hand an agreement under the UNFCCC. The latter would cover commitments by the USA, mitigation actions by non-Annex I countries, adaptation, as well as financial and technological support from Annex I to non-Annex I countries. Developing countries also posited that no agreement would be possible under the AWG-LCA unless there was an agreement on a second commitment period under the Kyoto Protocol.

Annex I countries for their part have pointed to the rising emissions in the large rapidly industrialising countries of the South and demanded that they needed to step up their efforts as well. Ideally, they wanted to have the Protocol replaced by a new universal framework that also covers the USA and the rapidly industrialising countries. In particular Canada, Japan and Russia have explicitly stated that they refused to be bound under a second Kyoto period.

The USA for their part have demand a new structure that should be "very different" from the Kyoto Protocol. According to the USA, the future regime should be based on a "pledge and review" bottom-up approach. In this version, each country would basically determine its own level of ambition and the international system would mainly serve as a notary to collect and regularly review the implementation of these pledges. The USA have also insisted that the degree of bindingness must be the same for all the major emitters – a demand that has been vehemently rejected by developing countries.

After the failure in Copenhagen, the 2010 Cancún conference put the climate negotiations back on track, but with the end of 2012 approaching the question of the form of international climate policy loomed ever larger. Copenhagen and Cancún had only resulted in non-binding emission reduction pledges by countries – the model favoured by the USA. In the absence of further decisions this non-binding framework would by default have become the modus operandi of the climate regime. In addition, the pledges that have so far been made are far from ambitious enough to achieve the target of stabilising global temperature increase below 2°C compared to pre-industrial levels, as agreed as objective in Copenhagen. According to the latest edition of the annual "Emissions Gap Report" by the United Nations Environment Programme (UNEP), this "gigatonne gap" between were global emissions need to go by 2020 and were they are actually going has in fact increased over the last year. It posits that annual global emissions should be reduced to at least 44 Gt CO_2-eq. by 2020 to maintain a good chance of meeting the 2°C target. However, emissions were at about 50 Gt CO_2-eq. in 2010, they are projected to rise to about 58 Gt CO_2-eq. by 2020 in a business-as-usual scenario and even in the best-case scenario with full implementation of current pledges and strict accounting rules they would only be brought back to about 52 Gt CO_2-eq. The figures for both the business-as-usual scenario and the best case scenario were 2 Gt CO_2-eq. lower in last year's report. The new report therefore now puts the gap at between 8 and 13 Gt CO_2-eq., rather than 6 to 11 Gt CO_2-eq. as in last year's report.[5]

In Durban, the EU therefore offered that it would be willing to be bound under a second Kyoto period if in return there was agreement on a new mandate to negotiate a new comprehensive and legally binding agreement that would include adequate contributions from all major emitters. This proposal was strongly resisted in particular by the USA, China and India, but the EU was able to form a coalition with the countries that are the most vulnerable to the impacts of climate change, the Small Island Developing States (SIDS) and the Least Developed Countries (LDC), as well as several progressive Latin American countries. After much drama in the plenary and setting a new record for overtime, Parties finally agreed to establish a new "Ad Hoc Working Group on the Durban Platform for Enhanced Action" (ADP). It was supposed to start work in 2012 and finish as early as possible but not later than 2015. However, the new agreement is supposed to come into effect and be implemented only from 2020. The decision therefore also stipulated that the ADP was also to discuss raising the level of ambition in the period up to 2020.

In return, the EU agreed to continue the Kyoto Protocol, which many had already written off, in a second commitment period, but the details were still to be agreed at this year's conference in Doha. The Durban conference also decided to terminate the AWG-LCA at the Doha conference. However, many issues under the LCA had not yet been

[5] Greenhouse Gas Emissions Gap Widening as Nations Head to Crucial Climate Talks in Doha – UNEP, http://www.unep.org/newscentre/Default.aspx?DocumentID=2698&ArticleID=9335&l=en, accessed 17 December 2012.

resolved to the satisfaction of developing countries, in particular on finance and technology. The decisions on these issues have in recent years followed a set course: while decisions on new institutions such as the Green Climate Fund have continued to be ever more well-defined, there has been a lack of clarity on how to fill these new institutions with reliable funding. In particular, in Copenhagen and Cancún developed countries had committed to scaling up climate finance to USD 100 billion annually by 2020, starting with USD 30 billion over a "fast-start period" from 2010-2012. As the end of this period was approaching, non-Annex I countries demanded clarity on the way forward for the time after 2012.

Going into Doha, the crunch issues were therefore expected to be the Kyoto Protocol's second commitment period, post-2012 climate finance, the work programme for negotiating a new agreement until 2015 and ways to increase mitigation ambition in the period up to 2020. However, there were also plenty of other controversial issues in the building blocks of the Bali Action Plan, some of which, such as loss and damage, gained unexpected prominence in Doha.

3. Agreement of the Second Commitment Period under the Kyoto Protocol

As noted above, the Durban climate conference agreed in principle that there would be a second Kyoto period but left the details to be decided in Doha. There was a whole basket of political and technical issues that were still controversial.

First, the voluntary emission reduction pledges that countries have made for 2020 needed to be translated into quantified emission limitation and reduction commitments (QUERCs) for the entire commitment period. That is, Parties needed to decide how many assigned amount units (AAUs) will be issued to each industrialised country party that agrees to participate in the second commitment period. In addition, developing countries had long argued that the pledges put forward by industrialised countries were much too weak to achieve the 2°C target and should be significantly strengthened. However, industrialised countries in Doha again maintained that they were in no position to strengthen their commitments at this time, pointing to the lack of a comprehensive global agreement as a main reason.

As expected, no further strengthening of the pledges took place in Doha. The new Article 3.1bis of the Kyoto Protocol puts the aggregate target of the countries that are

committing under CP2 at 18% below 1990 levels in the period 2013-2020[6], well below the range of 25-40% suggested by the IPCC.

Furthermore, Parties needed to decide how long the second commitment period was going to be. Annex I countries had been in favour of having it run till 2020 in order to have it dovetail with the new comprehensive agreement that is to be negotiated by 2015 and with the domestic legislation of many of them. By contrast, as developing countries considered that the targets were inadequate they had argued that this low level of ambition should not be locked in for too long. To address these concerns the EU had proposed making upgrading of the targets easier than it had so far been with the rules that had so far been applicable, which required adoption by a ¾ majority of all Parties. Developing countries had followed up with proposals according to which developed countries would have been obliged to increase their targets by 2013 or 2014. Developed countries objected both to the proposed dates as well as to the obligatory nature of the language proposed by developing countries.

In the end, developing countries had to give in on the length of CP2, which is now going to be eight years, but with a review on the level of ambition in 2014. The decision stipulates that each Annex I Party "will revisit" (not "shall") its QUELRC "at the latest by 2014", with a reference to the 25-40% range suggested by the IPCC. Annex I Parties are requested to submit the information related to their intention to increase the target by 30 April 2014 and this information "shall be considered by Parties at a high level ministerial round table to be held during the first session period in 2014".[7] However, some industrialised countries noted in the final plenary that this review process was not going to be helpful for increasing their ambition level; instead these discussions should be focused on in the ADP (see section 5).

A legal problem that needed to be resolved was that to enter into force the decisions will need to be ratified by ¾ of the Parties to the Kyoto Protocol, which even in a best-case scenario can be expected to take at least two years. Developing countries therefore demanded that industrialised countries should provisionally apply the amendments to the Kyoto Protocol starting from 1 January 2013 pending formal ratification and entry into force. However, many industrialised countries argued that such a commitment to provisional implementation was incompatible with their constitutions. They therefore sought to reassure developing countries that they would nevertheless act consistently with the Kyoto amendments even before ratification.

[6] Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, Draft decision proposed by the President, Draft decision -/CMP.8, Amendment to the Kyoto Protocol pursuant to its Article 3, paragraph 9; Annex I, C, FCCC/KP/CMP/2012/L.9, 8 December 2012.

[7] Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, Draft decision proposed by the President, Draft decision -/CMP.8, Amendment to the Kyoto Protocol pursuant to its Article 3, paragraph 9, FCCC/KP/CMP/2012/L.9, 8 December 2012, paras 7-10.

The final decision leaves two options to Parties. First, Parties "may provisionally apply" the amendment, that is, instead of making provisional application mandatory the text provides an op-in option. Second, the text states that Parties that do not apply the amendments provisionally "will implement their commitments and other responsibilities... in a manner consistent with their national legislation or domestic processes, as of 1 January 2013.[8]

A further thorny issue was the carry-over of the surplus AAUs from the first to the second commitment period. Due to the economic restructuring in the former Eastern block countries in the 1990s, emissions in many of these countries are well below their targets for the first commitment period. For example, Russia has the target to stabilise emissions at 1990 levels but current emissions are about 30% lower. The total surplus has been estimated at about about 13 Gt CO_2-eq. and therefore had the potential to substantially weaken the level of ambition of the second commitment period.[9] The G-77 and China as well as Switzerland proposed to limit the carry-over and use of surplus AAUs. The G77 and China proposal was to allow full carry-over but quarantine the AAUs in a "previous period surplus reserve" and restrict their use to domestic compliance for emissions going above the target in the second commitment period. Unused units were to be cancelled at the end of CP2. The Swiss proposal was very similar but instead of restricting the use of carried-over AAUs to emissions above the target would have stipulated a quantitative maximum at either 2.5% of the target or 100/150 Mt CO_2-eq. In addition, the G77 proposal would have capped the emission targets for the second commitment period at the level of 2012 emissions by providing that AAUs beyond that level would automatically be cancelled, while Belarus, Kazakhstan and the Ukraine had submitted emission targets above their current emissions. The potential new surplus from these emission growth targets had been estimated at another 3.6 Gt CO_2-eq.[10]

However, Russia and many other transition economies insisted on full carry-over in line with the original Kyoto rules, arguing that their surpluses were the result of their emission reduction efforts and therefore belonged to them as sovereign rights. The EU had been paralysed on this issue for years since old member states were in favour of limiting the carry-over while new member states and in particular Poland insisted on full carry-over.

In the night from Thursday to Friday of the second week, the EU was finally able to agree to an internal compromise. Building on the proposals by the G-77 and Switzerland, the EU also proposed that for each Party a previous period surplus reserve

[8] Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, Draft decision proposed by the President, Draft decision -/CMP.8, Amendment to the Kyoto Protocol pursuant to its Article 3, paragraph 9, FCCC/KP/CMP/2012/L.9, 8 December 2012, paras 5f.

[9] Carry-Over of AAUs from CP1 to CP2 – Future Implications for the Climate Regime. A Briefing By PointCarbon. September 2012.

[10] ibid.

should be established consisting of the surplus AAUs. These AAUs were to be tradable, but buyers were to be restricted to purchasing only a certain percentage of their initial assigned amount of the first commitment period. Unlike the proposals by the G-77 and Switerzland, the proposal did not include cancellation of AAUs at the end of CP2.

The final Presidency proposal and ultimate decision was largely based on the EU proposal, putting the limit for the acquisition of CP1 AAUs at 2% of the buyer's countries initial CP1 assigned amount. In addition, Australia, the EU, Japan, Lichtenstein, Monaco, Norway and Switzerland attached political declarations in Annex II to the decision in which they stated that they were not going to purpose CP1 surplus AAUs. Moreover, the final decision includes addition of a new Article 3.7ter to the Kyoto Protocol to eliminate the possibility for new hot air in CP2. According to this proposal all CP2 AAUs above the average emissions level of the period 2008-2010 are to be cancelled. That is, countries' targets are capped at their average emissions level in 2008-2010.[11]

According to news reports, Belarus, Kazakhstan and the Ukraine may now decide not to participate in CP2 after all.[12]

Another question was the eligibility to participate in the flexible Kyoto mechanisms, the Clean Development Mechanism (CDM), Joint Implementation (JI) and international emissions trading. Canada had withdrawn its ratification of the Kyoto Protocol in 2011 and Japan, New Zealand and Russia had announced that they would not participate in a second commitment period. They nevertheless wanted to be able to use the Kyoto mechanisms for meeting the emission reduction pledges they have made under the Convention. In relation to the CDM this position was also supported by other industrialised countries, highlighting the vast oversupply on the carbon market, which has caused the price of CDM credits to fall below 1 Euro. They argued that the demand for credits should therefore be made as wide as possible to prop up the mechanism rather than being restricted. Japan has so far been the second largest buyer of CDM credits after the EU. But this position was strongly opposed by developing countries who argued that Kyoto was not a pick-and-choose menu, the benefits should only be available to those who also undertake commitments.

The Presidency proposal resolved this issue by stipulating that countries not committing under CP2 can participate in CDM projects but they cannot transfer or acquire CDM credits or other Kyoto units.[13] However, the CDM Executive Board this year decided

[11] Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, Draft decision proposed by the President, Draft decision -/CMP.8, Amendment to the Kyoto Protocol pursuant to its Article 3, paragraph 9, FCCC/KP/CMP/2012/L.9, 8 December 2012.

[12] Belarus negotiator hints at Kyoto exit, says others could follow | Reuters http://uk.reuters.com/article/2012/12/10/us-climate-talks-kyoto-idUKBRE8B90ZY20121210, last accessed 10 December 2012.

[13] Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, Draft decision proposed by the President, Draft decision -/CMP.8, Amendment to

that project participants can request to have their CDM credits cancelled in the CDM registry. And government may therefore purchase and cancel CDM credits in the CDM registry and claim that this cancelation should be counted towards its pledge. In addition, the new reporting tables agreed for industrialised countries' biannual update reports (see section 6.1.1) provide a column for recording the use of market-based mechanisms. While the table has a disclaimer that this reporting shall not prejudge the treatment of units towards the achievement of pledges, the technical infrastructure for doing so is therefore now in place.

4. Towards the 2015 Agreement

4.1 The Durban Platform

The Durban Platform has two main issues: negotiating a new comprehensive climate agreement until 2015 that is to become applicable in 2020 and conducting a work programme for increasing mitigation ambition before 2020. The Bonn meeting in May agreed to address these issues in two separate work streams. This arrangement has the advantage that slow progress in one work stream will not automatically block progress in the other. The key task for Doha was to agree concrete work programmes for both work streams. The following covers the work stream on the 2015 agreement while the work stream on short-term ambition is covered in chapter 5.

On negotiating a new agreement until 2015, the overarching controversy continues to be whether the so-called "firewall", the clear distinction between on the one hand commitments for industrialised countries and on the other hand voluntary action by developing countries, should be maintained or modified. In particular the newly active "group of like-minded developing countries", which consists of China and India, several Arab and left-leaning Latin American countries, such as Bolivia, Cuba and Venezuela, and further middle-income countries such as Malaysia, Pakistan and the Philippines, fears that the "firewall" may be abolished through the ADP. In Durban, one of the key controversies in the final hours had been whether the UNFCCC's principles of equity and common but differentiated responsibilities should be explicitly referenced in the decision on the Durban Platform or not. In the end there had been no such reference due to strong resistance from the USA.

In 2012, developing countries therefore continually emphasised that the ADP works under the Convention and that all of its principles apply. They noted that the mandate of the ADP should by no means be seen as being to negotiate a new regime or re-write the Convention. They also highlighted the need to focus not only mitigation but also on

the Kyoto Protocol pursuant to its Article 3, paragraph 9, FCCC/KP/CMP/2012/L.9, 8 December 2012, paras 13-15.

adaptation and the so-called means of implementation, finance, technology and capacity building, noting that development and poverty eradication would continue to be the highest priorities for developing countries. Many developing countries also argued for starting a dedicated work programme on how equity would be operationalised in the 2015 agreement.

Annex I countries also all affirmed that the Convention's principles apply, the question was not if but how to apply them. They also agreed that universality of application would not mean uniformity of content. The EU argued for defining a spectrum of commitments, with different levels of effort for different groups of Parties. The USA emphasised that while the bindingness of the new agreement and the reporting provisions should be the same for all, the contents of countries' commitments could be differentiated. They re-iterated their argument for a bottom-up approach to commitments to make sure that no country would be asked to do more than it was willing and able to. Also many developing countries including China and other emerging economies agreed that the principle of common but differentiated responsibilities should not be used as an excuse for inaction and to avoid commitments.

Nevertheless, when it came to the wording to be agreed on, the differences between countries came back to the fore. For instance, China suggested to consider "commitments and/or actions", whereas the USA objected that "actions" was a "term of art" that was meant to obfuscate meaning whereas "commitments" was a term whose meaning was clear to all while at the same time leaving substantial flexibility in the context of the Convention. The USA also again objected to referencing the principles of the Convention, due to concern that they may be invoked to uphold the "firewall" between Annex I and non-Annex I countries.

As in Durban, the final decision does not mention these principles and even a reference to the outcome of the Rio+20 conference, which did endorse them, was deleted at the insistence of the USA. What is left is language that the ADP's work will be guided by the principles of the Convention, and in the final plenary the USA noted that in their view this provision had no relation to mandate of the ADP and that they would reject any attempt to invoke it in the ADP's further work.

The work programme that was ultimately agreed is not very specific. Elements for a negotiation text are to be in place at COP20 in 2014, and a draft negotiation text is to be on the table before May 2015. The text also notes that UN Secretary General Ban Ki-moon will convene a world leaders' summit on climate change in 2014.[14]

Countries agreed to have additional sessions in spring and/or in autumn, subject to the availability of financial resources. Countries and observes are invited to submit their views and proposals on issues such as the application of the principles of the

[14] Advancing the Durban Platform, Proposal by the President, Draft decision -/CP.18, FCCC/CP/2012/L.13, 8 December 2012.

Convention in the new agreement, which gives space for the further consideration of equity; building on the experiences and lessons learned from other processes under the UNFCCC and from other multilateral processes; the scope, structure and design of the 2015 agreement; and ways of defining and reflecting "enhanced action".[15]

4.2 Shared Vision

Also relating to the long-term though placed under the AWG-LCA, the first item in the Bali Action Plan was to develop a "shared vision for long-term cooperative action, including a long-term global goal for emission reductions".[16] According to the most ambitious scenario considered in the IPCC's fourth assessment report, to have a 50% chance of achieving the 2°C target global emissions should peak well before 2020 and be reduced by 50-85% by 2050 compared to 2000. The EU, AOSIS as well as other developing countries had long demanded to adopt these figures within the UNFCCC.

Many of the large emerging economies and other developing countries, however, had argued that these numbers could not be considered in isolation. In their view there first of all needed to be clarity on what the implications of these goals would be for the economies of developing countries and how the effort to achieve these goals would be shared among countries in an equitable manner.

Given that agreement was visibly not within reach, the discussions in Doha revolved around defining a process to explore the "numbers" as well as their implications. In addition, the decision in Durban had put global peaking into the context of equitable access to sustainable development (EASD) and the May session in Bonn had included a workshop on this concept. In Doha, developing demanded to start a process to consider how to implement EASD.

In the end, it was not possible to agree to any kind of work plan. The COP merely decided to "urgently work towards the deep reduction in global greenhouse gas emissions required … and to attain a global peaking of global greenhouse gas emissions as soon as possible, consistent with science and as documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, reaffirming that the time frame for peaking will be longer in developing countries" It also decided that "Parties' efforts should be undertaken on the basis of equity and common but differentiated responsibilities and respective capabilities, and the provision of finance, technology transfer and capacity-building to developing countries in order to support their mitigation and adaptation actions under the Convention, and take into account the

[15] Planning of work, Draft conclusions proposed by the Co-Chairs, Advance unedited version.
[16] Decision 1/CP13, Bali Action Plan, FCCC/CP/2007/6/Add.1, 14 March 2008, para 1(a)

imperatives of equitable access to sustainable development, the survival of countries and protecting the integrity of Mother Earth".[17]

Even this text was too strong for the USA, who during the closing plenary noted that it accepted this text only "to the extent that it is not read in a matter that is inconsistent with the Convention or the Cancun agreements", and asked to reflect its reservation in the meeting's report.

4.3 Review of the Global Temperature Goal

Another LCA item with bearing on the 2015 agreement was the review of the temperature target of keeping global warming below 2°C that was agreed in Copenhagen and Cancún, with a view to strengthening it to 1.5°C as demanded by AOSIS and the LDCs, and the progress towards achieving the target. This review is to take place in 2013-2015 and will hence feed into the work of the ADP. It will also coincide with the next IPCC assessment report. Parties still needed to agree on the detailed terms of reference for the Review.

In particular AOSIS, supported by the EU, had previously demanded that the scope of the review should be restricted to the adequacy of the temperature goal and progress towards achieving it, as agreed in Cancún. However, other developing countries, in particular India, had demanded to widen the scope of the review to also include the support provided by industrialised to developing countries, often also referred to as "means of implementation".

In Doha, AOSIS also put forward a detailed proposal for how to conduct the review. In their view the COP's subsidiary bodies – the Subsidiary Body for Implementation (SB) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) – were not appropriate to conduct the review as they lacked the required scientific expertise. They therefore suggested to establish a review expert group (REG) to do most of the work, which was to report to COP 19 and 20 and deliver a synthesis report to the first session of the ADP in 2015.

Other Parties noted that they were not convinced of the need for creating a separate group and were partly also opposed to giving such a strong mandate to the REG, with e.g. China noting that under the proposal the REG "could do anything they want".

Countries ultimately agreed that the review should periodically assess the adequacy of the long-term global goal as well as overall progress made towards achieving this goal, "including a consideration of the implementation of the commitments under the

[17] Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, Revised proposal by the President, Draft decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan, FCCC/CP/2012/L.14/Rev.1, 8 December 2012, paras 1f.

Convention". While not made explicit, this covers industrialised countries' commitments relating to finance, technology and capacity building. Contrary to AOSIS' wishes, the process will be driven by the two subsidiary bodies, which are to establish a joint contact group to assist the COP in conducting the review. In concession to AOSIS' request regarding input from experts, the COP resolved "to engage in a structured expert dialogue that aims to support the work of the joint contact group (…), to ensure the scientific integrity of the review". The dialogue is to be conducted "through regular scientific workshops and expert meetings and with the participation of Parties and experts", in particular from the IPCC. The dialogue will be facilitated by two co-facilitators from industrialised and developing countries, who will report to COP 19 and 20.[18]

5. The Durban Platform Work Stream on Short-Term Ambition

On short-term ambition, the EU and others reiterated their suggestions from the previous sessions to focus on initiatives that are complementary to the current national pledges, such as regulating emissions from international aviation and shipping that have so far not been regulated internationally, phasing out fossil fuel subsidies, and cooperative actions on deforestation, renewable energy, energy efficiency or short-lived climate forcers such as soot. The EU suggested that the UNFCCC should send a clear political signal on the importance of complementary initiatives to the relevant bodies, such as the Montreal Protocol, the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO). In addition, in their view the UNFCCC could recognise such initiatives, provide transparency on what they mean in terms of closing gap, and highlight best practice. For the work plan the EU suggested to have an annual Secretariat synthesis paper, in particular on complementary initiatives and to what extent they contribute to achieving the 2°C target. They also suggested to conduct dedicated discussions on particular themes from early 2013.

In particular countries from the Umbrella Group, such as Japan, New Zealand and the USA, claimed that a "huge amount of actions" was already underway, including at the regional and city level. In their view it would be useful to record and recognise these actions and explore ways for incentivising further actions by cities and private sector organisations.

[18] Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, Revised proposal by the President, Draft decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan, FCCC/CP/2012/L.14/Rev.1, 8 December 2012, paras 80-91.

Developing countries universally highlighted that increasing their own level of ambition would depend on the provision of means of implementation by developed countries. They urged industrialised countries to take the lead in reducing emissions as stipulated in the Convention and increase their emission targets as well as their provision of finance, technology and capacity building to enable further mitigation actions by developing countries. In this respect they noted that the basis for increasing ambition was going to be laid in the AWG-KP and in the AWG-LCA, by strong CP2 commitments and strong LCA results on finance, technology and capacity building.

Developing countries also stressed that complementary initiatives could be useful but not be a substitute for strengthening emission targets and means of implementation. The Marshall Islands noted that according to UNEP's "gap" report increased national low-carbon policies had the potential to deliver 22 Gt CO_2-eq. or more by 2020 while complementary international initiatives could deliver only up to 5 Gt CO_2-eq.. AOSIS therefore proposed a detailed work programme consisting of a series of workshops in 2013. These workshops were to discuss the available mitigation potential sector by sector and were to involve all relevant ministries. The Secretariat was to prepare theme-specific technical papers highlighting the available mitigation potential. In addition, there were to be high-level ministerial meetings and a summit on pre-2020 mitigation ambition at COP20.

Other countries including Annex I and non-Annex I countries urged to leave the work plan more vague in order to maintain flexibility. They argued that a very specific work plan might lead to very formalised discussions and thus not be a very effective exercise.

As so far only about 80 countries had made emission reduction pledges, many also highlighted the need for further countries to step in. Many in particular expected that having the COP would prompt the host country Qatar and maybe also other rich Gulf monarchies to put numbers on the table. However, Qatar, together with Bahrain, Saudi Arabia, and the United Arab Emirates, was only moved to indicate its readiness to put forward "actions and plans in pursuit of economic diversification that have co-benefits in the form of emission reductions, adaptation to the impacts of climate change and response measures."[19] What exactly these are going to be remains to be seen.

The work plan that was ultimately agreed is much weaker than requested by AOSIS and others. Parties and observers are invited to submit their views and proposals on issues such as mitigation and adaptation benefits, barriers and ways to overcome them, and incentives for actions, and finance, technology, and capacity-building to support implementation. The ADP decided to hold roundtable discussions and workshops, but their content was not determined in advance. Instead, the ADP Co-Chairs are to set out focused questions for these discussions in early 2013, taking into account the submissions. The secretariat is to prepare a technical paper "compiling information on

[19] Proposal by the President, Draft decision -/CP.18, Draft decision on economic diversification initiative, FCCC/CP/2012/L.11, 7 December 2012.

the mitigation benefits of the actions, initiatives and options to enhance mitigation ambition identified in the submissions". The first version of the technical paper is to be made available before the session in June 2013.[20]

6. Closing the AWG-LCA and Further Operationalising the Cancún Agreements

In addition to finishing the negotiations on the second commitment period of the Kyoto Protocol the Doha conference also had the task to terminate the work under the Bali Action Plan that has in the past five years been carried out in the AWG-LCA on the main building blocks mitigation, adaptation, finance and technology. The previous conferences in Cancún and Durban had already concluded the political discussions on some issues and mandated the subsidiary bodies to carry out further technical work, which is also covered in the following.

6.1 Mitigation

6.1.1 Annex I Mitigation

As described in section 2 of this report, there is a fundamental gap between pledged emission reductions and what would be needed to stay within a 2° limit. Consequently, in the negotiations, developing countries urged developed countries to increase ambition and to reconsider their pledges or move to the higher end of their pledges.

Beyond this fundamental mismatch, another problem with the pledges is the difficulty to assess them due to conditionalities and the lack of common accounting standards. No significant progress was made on this issue in Doha. In the negotiations the need to present pledges as a single number referring to one common base year (1990) was stressed by many countries. So far, pledges relate to different bases years, for example the USA has pledged to reduce emissions by 17% compared to 2005 levels, which translates to 3-4% below 1990 levels. In addition, many countries again demanded that developed countries without commitments under the Kyoto Protocol should at least agree to common accounting rules. They noted that common accounting was crucial for the comparability of efforts, one of the key objectives of the Bali Action Plan.

However, the USA again rejected all attempts to move towards common accounting. Finally, it was only decided to continue negotiations and establish a work programme (after the closure of the AWG-LCA) within SBSTA in 2013 to clarify the emission

[20] Planning of work, Draft conclusions proposed by the Co-Chairs, Advance unedited version.

reduction targets: "*with a view to: (a) identifying common elements for measuring the progress made towards the achievement of the quantified economy-wide emission reduction targets; and (b) Ensuring the comparability of efforts among developed country Parties taking into account differences in their national circumstances*"[21] Parties were asked to submit views on the work programme by 25 March 2013. The secretariat was requested to annually update a technical paper on the progress of clarifying the targets.

More positively, it was one of the successes of the Doha negotiations that common tabular formats for the biennial reporting for developed countries were adopted in the SBI.[22] The tables contain sections on historic emissions (by sector and by year) as well as sections on different scenarios of future emission developments.

6.1.2 Non-Annex I Mitigation

In the Bali Action Plan in 2007, nationally appropriate mitigation actions (NAMAs) were introduced as a key mechanism to increase mitigation ambition in developing countries. Two cornerstones of the concept of NAMAs are that they should be supported and enabled by technology, financing and capacity-building and that these activities should be measurable, reportable and verifiable. In Cancun it was decided to "*set up a registry to record nationally appropriate mitigation actions seeking international support and to facilitate matching of finance, technology and capacity-building support for these actions*".[23] Given that there is very little definition at UNFCCC level of what actually a NAMA is, the registry underpins the learning by doing process we are currently seeing in NAMA development: developing countries can take ownership and define which actions they propose as NAMAs for recognition and for which actions they seek additional funding.

The negotiations on the registry for NAMAs in some way mirror the general situation of NAMAs altogether: Developing countries have started filling the existing registry prototype with proposals for NAMAs – however, to date, not a single funding offer has been given to the UNFCCC for registration. This corresponds with the overall situation of NAMAs: many developing countries are active in developing NAMA proposals[24] (for which they indeed have been receiving support) but very little funding for NAMA implementation has been put on the table. Only at the end of the negotiations Germany and UK announced the launch of a NAMA facility with a funding of approx. 70 million

[21] Draft Decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan (Advance unedited version), para 8

[22] Draft decision -/CP.18,Common tabular format for "UNFCCC biennial reporting guidelines for developed country Parties" (Advanced unedited version).

[23] Decision 1/CP.16, The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, FCCC/CP/2010/7/Add.1 para 53.

[24] see for example Wang-Helmreich, Hanna, Wolfgang Sterk, Timon Wehnert and Christof Arens (2011): Current Developments in Pilot Nationally Appropriate Mitigation Actions of Developing Countries. JIKO Policy Paper, Wuppertal. Available at: http://www.jiko-bmu.de/960
or NAMA Database at: http://www.nama-database.org/

Euro[25] - a promising first step, which helps to actually start implementing NAMAs. But obviously only a tiny step towards meeting the high ambitions of international support promised at Copenhagen (see section 6.3 on climate finance). As a consequence, developing countries Parties repeatedly expressed their dissatisfaction with the general climate finance situation in the discussions on the NAMA registry in Doha.

The UNFCCC secretariat presented the status quo on the NAMA registry: proposals for the structure of the future web-based solution, including hierarchies and access right regulations for parties and funding institutions who wish to provide information through the registry.[26] A fully functional version of the dynamic web-based registry is supposed to be presented two months before COP 19.[27]

It is important to note that the registry is planned to be set-up with no mandatory fields. Thus Parties may freely choose which of the information asked for in the template they wish to provide. It was highlighted in the discussions that obviously, more detailed and formalised information would facilitate a matching of funding with NAMA proposals – and it may thus be in the interest of developing countries seeking funding, to provide this information. However, this rather technical detail underpins that beyond the match making option, the registry may well serve to increase transparency on the wide variety of mitigation actions of developing countries (record NAMAs) – but it is obviously not the intention to make the registry a tool for stringent MRV of mitigation actions. MRVing of the outputs of NAMAs will most likely occur in national communications (and biennial update reports) and possibly even more stringently upon request of institutions supporting NAMAs.

Regarding MRV, one issue often raised by developing countries is that of costs and capacity needed to provide the requested information. On this background, MRV requirements have been less strict for developing countries. However, in Cancún Parties had agreed on enhancing both Annex I and non-Annex I MRV. Developing countries are to submit national communications every four years and provide biennial update reports with updates on their national GHG inventories, information on mitigation actions, needs and support received. The reports are to be discussed in a process of "international consultation and analysis (ICA)".

In the SBI conclusions on Provision of financial and technical support[28] a somewhat contradictory picture emerges. On the one hand non-Annex I parties express "*concerns over the availability of sufficient financial and technical support for the preparation of*

[25] BMU - English - Current Press Releases - Press Release No 160/16 as of 06.12.2012: Germany and the United Kingdom launch NAMA Facility in Doha, http://www.bmu.de/english/current_press_releases/pm/49568.php, accessed 21 December 2012.
[26] Key information is available in an UNFCCC document on "Design requirements" for the NAMA registry at: http://unfccc.int/files/cooperation_support/nama/application/pdf/design_requirements.pdf
[27] see Draft decision -/CP.18, Prototype of the registry (advance unedited version), para10
[28] Provision of financial and technical support. Draft conclusions proposed by the Chair, FCCC/SBI/2012/L.52, 1 December 2012.

biennial update reports (BURs)" on the other hand, the SBI "*noted with concern that as of 1 October 2012 the GEF secretariat had only received four requests for support to prepare BURs*." Consequently, non-Annex I countries were urged to submit requests for support to the GEF.

6.1.3 Reducing Emissions from Deforestation and Forest Degradation

Emissions from deforestation and forest degradation account for nearly 20% of all global greenhouse gas emissions. However, it was only at COP 11 in Montreal in 2005 that addressing forests was taken up under the Convention and in 2007 the issue was included as one of the mitigation sub-items in the Bali Action Plan.

In the run-up to the negotiations in Doha, expectations were high that COP18 could lead to significant progress in the efforts towards establishing an international mechanism for providing incentives to developing countries for reducing emissions from deforestation and forest degradation and enhancing their forest-related carbon stocks (REDD+). Part of these expectations were linked to the advances REDD+ had made in the past, both inside and outside the UNFCCC negotiations. At the national level, developing countries are taking important steps in getting ready for REDD+, such as Mexico, which has just passed legislative reforms to embed REDD+ into its national legal frameworks. At the same time, significant achievements had been made in the negotiations process itself since 2005.

One major step was made with the Cancún Agreements in 2010, when Parties agreed on the "phased" approach to REDD+, which allows developing countries to first develop their policy frameworks and capacities, followed by the implementation of demonstration activities, before finally moving into the implementation of results-based actions that are fully measured, reported and verified (MRVed). Social and environmental safeguards were also established in Cancún and REDD+ countries were requested to inter alia develop national strategies or action plans, establish national forest reference (emissions) levels and information systems on safeguards (SIS). In order to provide assistance to countries in undertaking these steps, COP16 mandated SBSTA to develop the respective methodological guidance under the REDD+ work programme in addition to the identification of drivers of deforestation. One year later, in Durban, Parties reached agreement on how to operationalise safeguards and some progress was also achieved with regard to SIS and national reference (emissions) levels. However, no common ground was found on modalities for national forest monitoring systems (NFMS) and MRV, and the work programme was extended to further consider these issues until the end of 2012.

In addition to negotiations on these technical aspects under the SBSTA, the controversial question of financing was considered under the AWG-LCA. After no agreement on financing options had been reached in Durban last year, Parties and observers had been invited to submit inputs on modalities and procedures for financing

of results-based action. These submissions had been considered by the AWG-LCA during 2012 and resulted in a technical paper for further consideration in Doha.

Hence, the major fora of REDD+ negotiations in Doha were the SBSTA and the AWG-LCA, with the treatment of technical issues under the SBSTA being the main track in the first week of negotiations. After the opening session of the REDD+ SBSTA contact group Parties shifted directly into the informal negotiations mode and meetings were held behind closed doors until Saturday to discuss methodological guidance for NFMS and MRV. Initially, substantial progress was achieved: national forest monitoring systems were agreed to be linked to safeguard information systems and a link between the setting of reference levels and MRV methods was established, ensuring that consistent and similar methods need to be used in all countries. However, negotiations stalled when Parties touched on the issue of verification and a major divide between donor countries and developing countries emerged. While Norway, currently the biggest investor in activities to reduce deforestation, was pushing for independent verification of actions by international experts, Brazil was opposed to external verification, arguing that MRV of REDD+ should be consistent with the process of international consultation and analysis (ICA) that was agreed for NAMAs and which is considerably softer on developing countries. With Parties unable to resolve this issue in Doha and an agreement on verification out of reach, the final text on NFMS and MRV remained bracketed and Parties decided to continue the work during 2013 with a draft decision to be prepared by COP19 in Warsaw.[29]

In parallel to the SBSTA process, policy approaches and positive incentives for REDD+ were considered under the AWG-LCA. After Parties had agreed on the development of a new text as a basis for the negotiations in Doha, the negotiation process on so-called results-based finance was dominated by different views on incentives for non-carbon benefits and institutional arrangements.

Financing has for a long time been the largest sticking point of the REDD+ negotiations, and Parties continue to have differing perspectives on how results-based actions should be financed. While some industrialised countries, such as Australia, USA and Japan, want the emission reductions resulting from REDD+ actions to be converted into tradable emission reductions that Annex I Parties can account against their emission reduction targets, Brazil and other developing countries have opposed the creation of a new offset mechanism for REDD+. Bolivia, in particular, opposes any market-based approach arguing in favour of a fully different structure for REDD+. In the light of these differing views, Parties in Doha agreed to undertake a work programme on results-based finance in 2013, which will be chaired by two co-chairs, one from a developing and one from a developed country Party. The overall aim of the

[29] Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries. Draft conclusions proposed by the Chair, FCCC/SBSTA/2012/L.31, 1 December 2012.

work programme is to contribute to the ongoing efforts to scale up and improve the effectiveness of finance for REDD+ activities by taking into account market-based and non-market based approaches and by exploring different options, including ways to incentivise non-carbon benefits. The work programme envisages two in-session workshops that are to result in a report for consideration by the COP with a view to the adoption of a decision on results-based payments at COP19 in Warsaw.[30]

The issue of incentivising benefits beyond carbon made its way into the final text after Parties had exchanged very divergent views on this topic: While LDCs advocated such an approach and suggested requesting SBSTA to explore options for performance-based payments for non-carbon benefits, several developed countries such as Norway and Australia stated that results-based payments should be made for carbon only. In the end, Parties did not only agree to address non-carbon benefits within the newly established work programme but further requested SBSTA to initiate work on methodological issues related to non-carbon benefits resulting from REDD+ activities. SBSTA was also requested to consider how non-market-based approaches, such as joint mitigation and adaptation approaches, could be developed, an issue of particular importance to Bolivia. The body is to report on both matters at COP 19.[31]

In the light of the expected end of the AWG-LCA at COP18, finding an "institutional home for REDD+" was another issue that dominated the REDD+ negotiations in Doha. The idea of establishing a REDD+ Committee, brought up by Papua New Guinea on behalf of the Coalition for Rainforest Nations, proved particularly contentious. The proposed REDD+ Committee would be responsible for future discussions on the mechanism and also coordinate financial and technical support for REDD+ countries. While this idea was supported by a large number of developing countries, most developed countries rejected the creation of new institutions in Doha and maintained that functions of such an institution should be identified first. The final text from Doha reflects these different views by requesting SBI and SBSTA to jointly consider existing institutional arrangements or potential governance alternatives such as a body, a board or a committee. SBI and SBSTA were further requested to address the need to improve the coordination of support for REDD+ activities and the need to provide adequate and predictable support for REDD+ countries, including financial resources and technical and technological support. The COP invited Parties and observers to submit their views on these issues to the secretariat by 25 March 2013 and requested the secretariat to organise an in-session workshop at the next SBSTA/SBI meeting, where the submissions should be taken into account. Following these activities, the subsidiary bodies will make recommendations to COP19.[32]

[30] Draft decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan (Advance unedited version), paras 25 – 33.
[31] Draft decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan (Advance unedited version), paras 39 – 40.
[32] Draft decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan. Paras 34 – 38 (Advance unedited version).

The Doha outcome on REDD+ has led to some disillusion among observers. After years of advancing at high speed, the REDD+ negotiations in Doha did not deliver substantial results and key questions remain unanswered. Negotiations on REDD+ seem to have entered a new stage or, as Tony La Viña, REDD+ negotiator for the Philippines put it: "The truth is that the honeymoon is over for REDD+, we are down now to the nuts and bolts of the mechanism"[33].

6.1.4 New Market Mechanisms

Many industrialised countries maintain that mechanisms putting a price on carbon and allowing for international trading of emissions credits are the most cost effective way to reduce GHG emissions globally. Against this background, several Parties are promoting the introduction of new market mechanisms in the UNFCCC context, which are to cover broad segments of the economy and should thereby leverage significantly higher emission reductions than the current Kyoto mechanims CDM and JI.

Views on this matter have been exchanged for some time now under the heading "Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions" as part of the AWG-LCA negotiations. Parties' views on this matter differ mainly on what the role of the UNFCCC should have in this context. Therefore, two separate streams have evolved in the discussions:

- New Market Mechanism (NMM)

- Framework for Various Approaches (FVA),
  which may include market and non-market mechanisms

The EU and others promote a top-down view with regulations for a new market mechanism defined at and supervised at the UNFCCC level (in analogy to the CDM). In its submissions, the EU proposes a voluntary sectoral crediting and a more stringent sectoral trading mechanism, which can be seen as an intermediary step towards a comprehensive cap and trade system.[34]

By contrast, other Parties prefer a lose framework for market approaches, which could include national offsetting schemes like the Japanese Bilateral Offset Crediting Mechanism (BOCM) with nationally defined (and less stringent) accounting rules. With the exception of Norway, this view has in the meantime been adopted by the entire

[33] Tony La Viña at the closing plenary of Forest Day 6. URL: http://www.youtube.com/watch?feature=player_embedded&v=7FMp-rxr1DE#! [accessed 17 December 2012].

[34] The most recent and fairly detailed submission by the EU is contained in: Ad Hoc Working Group on Long-term Cooperative Action under the Convention, Views on the new market mechanism, Submissions from Parties, FCCC/AWGLCA/2012/MISC.6/Add.6, 26 November 2012.

Umbrella Group (Australia, Canada, Japan, New Zealand, Kazakhstan, Russia, Ukraine, USA).

At last year's climate change conference in Durban, Parties reached an agreement to establish a New Market Mechanism in principle, operating under the guidance and authority of the COP, which "may assist developed countries to meet part of their mitigation targets or commitments under the Convention".[35] The AWG-LCA was asked to develop modalities and procedures for this mechanism, to be considered by this year's Conference of the Parties. In addition, the AWG-LCA was asked to conduct a work programme to consider whether to establish a framework for various approaches.

Yet there has been little progress since the Durban COP. The major discussion points in Doha therefore were the role the UNFCCC should have in a Framework for Various Approaches. The Umbrella Group (minus Norway) reiterated their wish for a rather weak role, consisting of exchange of information, experience and good practice on standards. This view was opposed by the EU and developing countries, who reiterated their position that the FVA was not about facilitation but about the COP acting as regulator to determine and enforce common standards. Bolivia and the ALBA countries stressed once again their desire to incorporate non-market mechanisms under the FVA.

As regards the NMM, the EU was rather isolated in its desire to achieve quick implementation. In addition, many see the NMM as being under the umbrella of the FVA whereas the EU sees the NMM as separate from the NMM, which further complicated discussions.

In the end, Parties failed to reach agreement on further specifying what the framework should look like or which design features the NMM should be composed of. Rather, a work programme was set up to continue discussions on the purpose, scope, procedures to ensure environmental integrity and institutions of the various approaches. On the NMM, Parties "agreed to consider" a long list of elements, which would make the NMM a top-down, UNFCCC driven mechanism with common accounting, including:

- *"Standards that deliver real, permanent, additional, and verified mitigation outcomes, avoid double counting of effort and achieve a net decrease and/or avoidance of greenhouse gas emissions;"*
- *"Requirements for the accurate measurement, reporting and verification of emission reductions, emission removals and/or avoided emissions;*[36]*"*

At the same time, the decision on the framework for various approaches does not refer to either standards or MRV. Yet the decision states that "*any such framework will work*

[35] Decision 2/CP.17, Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, para 79.
[36] Draft Decision -/CP.18, Agreed outcome pursuant to the Bali Action Plan (Advance unedited version), paras 44-56

under the authority and guidance of the Conference of Parties". It was furthermore decided that the work programme shall address:

- *"Procedures to ensure environmental integrity (…)"*and
- *"Technical specifications to avoid double counting through the accurate and consistent recording and tracking of mitigation outcomes"*[37]

Given that the text on the FVA re-emphasizes that *"all such approaches must meet standards that deliver real, permanent, additional and verified mitigation outcomes, avoid double counting of effort and achieve a net decrease and/or avoidance of greenhouse gas emissions"* some sort of convergence of the FVA and the NMM tracks may be possible in the future. Parties are invited to submit views on both issues to the secretariat by 25 March 2013.

6.2 Adaptation

Negotiations in Doha where held against the backdrop of a year with extreme weather events in both developing and developed countries. While hurricane Sandy had caused damage of more than 50 billion USD by devastating large parts of the US east coast in late October, the Philippines where hit by a cyclone during the second week of the climate negotiations killing hundreds of people and making thousands homeless. Together with new reports[38] indicating that the world is currently heading towards a scenario where such weather extremes would represent the order of the day the negotiations on adaptation in Doha attracted considerable attention.

These negotiations built on significant progress achieved over the last years: In Durban, the Adaptation Committee, which had been established one year before in Cancún, was made operational and Parties agreed on its composition, modalities and procedures. Furthermore, initial guidelines to assist Least Developed Countries (LDCs) in the formulation of National Adaptation Plans (NAPs) had been established. Regarding the question on how to deal with those adverse effects of climate change that cannot be addressed through adaptation measures, Durban saw the renewal of the Work Programme on Loss and Damage.

After having held its first meeting in September 2012, the Adaptation Committee in Doha presented its first report as well as a draft three-year work plan, which was approved by the COP. The work plan, which Parties generally regarded as very ambitious, comprises a broad range of activities to promote coherence in adaptation under the Convention as well as to enhance synergies with organisations, regional centres and network outside the UNFCCC. It envisages meetings and workshops to

[37] Ibid

[38] See, for instance: World Bank (2012): Turn down the heat: Why a 4°C Warmer World Must be Avoided. http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centrigrade_warmer_world_must_be_avoided.pdf , accessed 19 December 2012.

identify areas of duplication, gaps and synergies and foster the exchange between institutions. The work plan further comprises the collection and compilation of information on ongoing adaptation actions and support provided by institutions in order to increase knowledge and provide technical support and guidance to the Parties.[39] In its final decision, the COP further requests the Adaptation Committee to consider the establishment of an annual adaptation forum, with the aim to raise awareness on adaptation actions and to enhance coherence of actions.[40]

Another important step was made with the development of technical guidelines for the formulation and implementation of National Adaptation Plans (NAPs) in LDCs. These guidelines had been prepared by the Least Developed Countries Expert Group on the basis of the initial guidelines agreed at COP 17. In Doha, the SBI welcomed the technical guidelines for the NAP process and looked forward to their application, as appropriate. The technical guidelines will support LDCs in initiating a continuous, iterative and progressive planning process for identifying medium and long-term adaptation needs and develop the respective strategies and programmes. Doha also resulted in guidance on support for NAPs for LDCs. In its final text, the COP agreed on guidance to the Global Environment Facility (GEF), which is administering the Least Developed Countries Fund, requesting the entity to provide funding to meet the agreed full cost of preparing the NAPs. Funding should be provided following a flexible approach that enables access of LDCs and maintains support for addressing immediate adaptation needs through the development of NAPAs (national adaptation programmes of action). Regarding the development of NAPs in non-LDCs, the COP encourages the Adaptation Committee to continue developing the respective modalities, a task which is reflected in the AC's work plan with the creation of an ad hoc working group. The COP further urges developed countries to mobilise financial support for the NAPs process in non-LDCs.[41]

The dominating issue of the negotiations, however, was the question on how to deal with climate-related loss and damage that cannot be addressed through adaptation measures, such as weather extremes and slow onset events, including, inter alia, sea level rise and increasing temperatures. Positions of developed and developing countries differed substantially and the question whether an international mechanism for addressing loss and damage should be installed proved particularly controversial: While the USA and other industrialised countries opposed the installation of such a mechanism, fearing future claims for compensation of climate-related losses, G77/China, AOSIS, the African Group and the LDC group wanted such a mechanism to be established in Doha, making clear that dropping the topic was not an option. After the controversy could not be resolved under the SBI the issue was forwarded to the ministerial level and became one main crunch issue of the final marathon all-night

[39] Report of the Adaptation Committee, FCCC/SB/2012/3, 16 November 2012.
[40] Draft decision -/CP.18: Agreed outcome pursuant to the Bali Action Plan (Advance unedited version), para 57.
[41] Draft decision -/CP.18: National adaptation plans (Advance unedited version)

session. In the end, a compromise was found with the agreement to establish "institutional arrangements, such as an international mechanism" at COP19 in Warsaw, a compromise formula tabled by the Qatari COP President to be taken as part of the entire final package of decisions.[42]

Remarkably, the final text does not mention the term "compensation" that was included in a previous text version and which many developing countries, in particular LDCs and AOSIS countries, wanted to see reflected in the final decision. However, the US had strongly opposed any terms that could connote legal liability, therefore reference is only made to approaches to rehabilitate from climate-related loss and damage.

The question on where the issue of loss and damage should be discussed beyond Doha was also not free of controversy. While developing countries favoured a continuation of the work programme the US preferred the issue to be treated under the Adaptation Committee and Nairobi Work Programme. Despite the United States arguing that the work programme on loss and damage was to complete its work at COP18, the final decision stresses the importance of its continuation and requests the SBI to elaborate activities to further the understanding of and expertise on loss and damage. In elaborating these activities, the SBI is asked to take into account further work needs regarding, inter alia, the risk of slow onset events and approaches to address them, non-economic losses and damages and how to identify and develop appropriate approaches to cope with loss and damages.[43]

The COP decision further requests the UNFCCC secretariat to carry out three interim activities under the work programme on loss and damage prior to SBI 39: an expert meeting to consider future needs associated with possible approaches to address slow onset events, a technical paper on non-economic losses and a technical paper on gaps in existing institutional arrangements within and outside the UNFCCC. SBI is asked to consider the latter technical paper when developing the functions and modalities of the institutional arrangements.[44]

With the inclusion of loss and damage in the Doha Climate Gateway, developing countries achieved historic recognition of the drastic consequences they are already experiencing due to climate change. However, key questions regarding the institutional arrangements and the potential establishment of a mechanism remain unanswered and

[42] Draft decision -/CP.18 Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity (Revised proposal by the President), FCCC/CP/2012/L.4/Rev.1, 8 December 2012, para 9.

[43] Draft decision -/CP.18 Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity (Revised proposal by the President), FCCC/CP/2012/L.4/Rev.1, 8 December 2012, para 12 and 7.

[44] Draft decision -/CP.18 Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity (Revised proposal by the President), FCCC/CP/2012/L.4/Rev.1, 8 December 2012, paras 10-11.

will have to be discussed together with open questions on the sources of funds and how they would be disbursed.

6.3 Finance

Since the beginning of the climate change negotiations, one of the fundamental challenges has been the issue of financing efforts of developing countries to combat climate change and to adapt to its adverse effects. Developing countries have continuously called for an increase of multilateral climate finance under the UNFCCC as a core responsibility of developed countries – as the latter have indeed committed to in Art. 4 of the Convention. Industrialised countries, on the other hand, have been rather reluctant to significantly ramp up their finance commitments to the various financing institutions under the UNFCCC. As a consequence, pledges to the funds under the UNFCCC (Special Climate Change Fund, Least Developed Countries Fund, and Adaptation Fund) and to the GEF have been notoriously low.

A major step towards the needed increase in finance flows to combat climate change was made in Copenhagen in 2009, where industrialised countries pledged to commit 30 billion USD of "fast-start finance" over three years until the end of 2012, and to mobilise up 100 billion USD from "various sources" for adaptation and mitigation purposes from 2020. The Copenhagen Accord also includes the establishment of the Green Climate Fund (GCF), although at that time there was no mention of its institutional structure. In the following year in Cancún, the task to design the structure of the fund over the course of 2011 was delegated to a Transitional Committee. Also, Cancún saw the establishment of the Standing Committee as an oversight body to the Convention's financial mechanism, whose function and role was further defined in Durban the following year.

Apart from negotiations on the Standing Committee at COP 17 in Durban, the main discussions on finance revolved around the operationalisation of the Green Climate Fund. A compromise in the Transitional Committee on the draft design document just prior to the conference had been opposed in the last minute by the USA and Saudi Arabia. It was feared that the document would be re-opened in the COP, and the compromise lost. After intense negotiations throughout the conference, the design document was adopted unchanged. A supplementary COP decision addressed some of the concerns that had been tabled, including a procedure to select the trustee of the fund, and one to ensure that funding by the GCF's private sector facility would not contravene national climate strategies and plans. However, no decision could be reached on the host country of the Fund. Selecting the host country was therefore set as one of the primary concerns of the newly-formed GCF Board. A number of countries contributed funding for the start-up costs of the Fund, but no pledges were made to the Fund itself.

Just prior to COP 18 in Doha this year, the GCF Board chose Songdo in the Republic of Korea to host the Green Climate Fund.[45] COP 18 endorsed the decision, and requested the GCF Board and the Republic of Korea to conclude the legal and administrative arrangements for hosting the GCF. The GCF Board was further requested to report to COP 19 on the implementation of the Fund, including, among others, a balanced allocation between adaptation and mitigation activities, and secure funding. Any interim arrangements should terminate no later than COP 19.[46] A number of countries have pledged contributions to the administrative budget of the GCF, but so far still no financial commitments for the actual activities of the GCF have surfaced.

Another issue that as yet has not been resolved is the relationship between the Green Climate Fund and the COP. The GCF Board had discussed the matter at its first and second meetings, but had not come to a conclusion.[47] A number of developing countries, among them the African Group, Philippines, Malaysia, Thailand, Saudi Arabia, India, China, Sri Lanka, Egypt, Sudan, Iraq, Iran, El Salvador, Nicaragua, Democratic Republic of the Congo, Ecuador, Maldives and Venezuela, had submitted proposals on arrangements between the GCF and the COP to the effect that the GCF should be fully accountable to and receive guidance from the COP, and giving the COP greater oversight over the GCF.[48] Contrary to the decision taken in Durban, the arrangements between the two bodies were not to be drafted by the GCF itself, but to be delegated to the Standing Committee as an independent body. This proposal was supported by Saudi Arabia, Zambia and the LDCs, while USA and Japan opposed it. AOSIS and the EU proposed to draft the arrangements cooperatively between the COP and the GCF Board. In the end, the COP decided that the GCF Board and the Standing Committee should develop arrangements between COP and GCF, which are to be approved at COP 19.[49]

The Standing Committee, after its further operationalisation in Durban, held its first two meetings in Bangkok and Cape Town in 2012. Its members and officers were nominated, and a work programme for 2013-2015 developed.[50] The work programme includes, among others, organising a forum for communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence; provision of draft guidance for the operating entities of the financial mechanism to the COP; recommendations to the COP on how to improve the coherence, effectiveness and efficiency of the operating entities of the financial mechanism; provision of expert input into the preparation and conduct of the

[45] Report of the Green Climate Fund to the Conference of the Parties, FCCC/CP/2012/5, 20 November 2012.
[46] Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund: Proposal by the President, FCCC/CP/2012/L.17, 8 December 2012.
[47] Report of the Green Climate Fund to the Conference of the Parties, FCCC/CP/2012/5, 20 November 2012, para 23.
[48] FCCC/CP/2012/CRP.1, 29 November 2012, and FCCC/CP/2012/CRP.4, 3 December 2012.
[49] Arrangements between the Conference of the Parties and the Green Climate Fund: Proposal by the President, FCCC/CP/2012/L.18, 8 December 2012.
[50] Report of the Standing Committee to the Conference of the Parties, FCCC/CP/2012/4, 24 October 2012.

periodic reviews of the financial mechanism by the COP; and the advancement of the Standing Committee's functions.

This year's COP in Doha welcomed the Standing Committee's report on its first meetings, and, *inter alia*, endorsed the work programme; renamed the committee to the Standing Committee on Finance; and requested it to consider ways of strengthening methodologies for reporting climate finance in its first biennial assessment and overview of financial flows.[51]

The Standing Committee has also been tasked to further amend the guidelines for the review of the financial mechanism, and to present an updated version at COP 19 the following year. The COP has initiated the fifth review of the financial mechanism, and, after possibly adopting the revised guidelines next year, to finalise the review by COP 20. Parties are invited to submit their views on the review by 1 March 2013.[52]

Many discussions in this year's COP revolved around the work programme on long-term finance that had been decided in Durban. This work programme is to answer the question of how to scale up climate finance to the USD 100 billion annually from 2020 promised in Copenhagen and Cancún. Under the work programme, two workshops and two webinars were held in 2012, which attracted a lot of attention. Outcomes of the work programme for 2012 included the recognition of a need for scaling-up, mobilisation and catalysing climate finance and investments; a need for a political process with a focus on sources and options for mobilising climate finance in the short, medium and long terms; clarification of how developed countries will deliver on their commitment to jointly mobilise USD 100 billion per year by 2020; needs for enhanced information on climate-related financing needs by developing countries, and strengthening of ways to track climate finance; and the need for enhancing enabling environments. It was also recommended that a regular climate finance forum and market place be established, "bringing together all relevant actors - public and private sector and other stakeholders - to build an effective response and rapidly increase the deployment of finance for mitigation and climate resilient development."[53]

When discussing the report, Parties once more disagreed on the inclusion of revenues from international aviation and shipping as a possible source of finance. Japan called the consideration of this under the UNFCCC inappropriate, and Saudi Arabia feared negative impacts on developing countries as an effect of international taxation. The decision of the COP takes note of the report on the work programme, and decides to extend it for another year, "with the aim of informing developed country Parties in their efforts to identify pathways for mobilizing the scaling up of climate finance to USD 100 billion per year by 2020 from public, private and alternative sources in the context of

[51] Report of the Standing Committee: Proposal by the President, FCCC/CP/2012/L.16, 8 December 2012.
[52] Review of the financial mechanism: Draft conclusions proposed by the Chair, FCCC/SBI/2012/L.45, 1 December 2012.
[53] Report on the workshops of the work programme on longterm finance: Note by the chairs, FCCC/CP/2012/3, 6 November 2012.

meaningful mitigation actions and transparency on implementation". Existing processes within the UNFCCC for assessing and reviewing developing countries' needs for finance are to be continued.[54]

As the period of Fast Start Finance ends this year, and there is no agreed pathway to ramp up climate finance to the commitment of 100 billion USD by 2020, discussions on this mid-term "finance gap" between 2013 and 2020 cropped up in many fora of the negotiations in Doha this year. Developing countries called for a clear mid-term goal that would ensure an increase of financing levels, and a clear path to the 100-billion goal. However, there is only very little substance on finance commitments of developed countries in the final adopted agreements. The outcome of the AWG-LCA acknowledges developed countries' delivery of Fast Start Finance, and merely invites them to expedite its full disbursement. It also invites developed countries to submit information on their strategies and approaches for mobilising scaled-up climate finance by the next COP, and encourages them to "further increase their efforts to provide resources of at least to the average annual level of the fast-start finance period for 2013-2015".[55] The decision also calls for a high-level ministerial dialogue for the consideration of progress on long-term finance at the coming COP.

In their closing statements both to the AWG-LCA and the COP, many developing country delegates lamented the lack of ambition on finance by industrialised countries, calling the decisions an "empty shell" (Philippines), and only promising that "something might materialise in the future" (Nauru). It remains to be seen if the work programme on long-term finance and the soon-to-be fully operational Green Climate Fund will coax developed countries into more action on the finance front, but experience from the last years makes this hope very bleak.

6.4 Technology

Technology development and transfer, one of the key building blocks of 2007's Bali Action Plan, resumed its slow progress in Doha this year. In a brief surge of activity on the issue in Cancún, Parties had agreed to establish a Technology Mechanism, comprising a Technology Executive Committee (TEC), and a Climate Technology Centre and Network (CTCN). In Durban, the TEC's initial modalities and rules as well as its rules of procedure had been agreed without much disagreement. The CTCN, however, had been more difficult. While Parties had finally been able to agree on the CTCN's terms of reference, there had been no agreement on who was to host it. Therefore the institution was in fact non-existent.

[54] Work programme on long-term finance: Proposal by the President, FCCC/CP/2012/L.15, 8 December 2012.

[55] Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention: Revised proposal by the President, FCCC/CP/2012/L.14/Rev.1, 8 December 2012, paras 63-73.

Neither had an agreement been reached on the future relation between the TEC and the CTCN in Durban. Especially developing countries had envisaged the TEC as a sort of oversight body with political power, while industrialised countries saw it as a body of specialists without an oversight function to the CTCN. The final decision does not contain a governing role for the TEC, but establishes an advisory board to the CTCN as monitoring body.

Over the course of 2012, the TEC held two meetings including workshops, which, among others, resulted in key messages on: technology needs assessments (TNAs); enabling environments for and barriers to technology development and transfer; and technology roadmaps. Among the key messages are:

- TNAs and their syntheses are a key information source for the work of the TEC on the prioritization of activities under the Technology Mechanism, and could be a rich source of information for governments, business and other stakeholders;

- The Technology Mechanism and other international instruments used to promote technology transfer to developing countries should be clearly aligned with the enabling frameworks that facilitate private- and public-sector investment;

- Technology road maps can complement efforts and actions undertaken by various stakeholders at the international and the national levels, including TNAs, NAMAs and NAPs, and help to build the confidence of stakeholders who need to be engaged from an early stage.[56]

All key messages are contained in the TEC's report to the Subsidiary Bodies of the Convention.[57] SBSTA and COP welcomed the report, and encouraged Parties to use experiences gained from the TEC's workshop on technology needs assessments in the preparation of NAMAs, NAPs, LEDS or technology roadmaps. The COP further agreed that the TNA process should be integrated with other processes under the Convention dealing with NAMAs, NAPs and LEDS, and stressed the need for the implementation of the TNA results.[58] The Committee will undertake further activities on enabling environments as part of its workplan for 2013.

The TEC had also formed an anonymous evaluation panel for the selection of the host of the CTCN. During the first week of the negotiations in Doha, it was announced that UNEP as a leader of a consortium was chosen to host the CTCN, and the COP agreed to "Arrangements to make the Climate Technology Centre and Network fully operational". The agreement includes a Memorandum of Understanding between the COP and UNEP outlining their respective responsibilities and initial steps in the operationalisation of the

[56] Report on activities and performance of the Technology Executive Committee for 2012, FCCC/SB/2012/2, 18 October 2012, paras 30, 35, 42.
[57] ibid.
[58] Development and transfer of technologies and implementation of the Technology Mechanism. Proposal by the President, FCCC/CP/2012/L.9, 8 October 2012.

CTCN.[59] Parties are invited to nominate national designated entities for technology transfer, which will become part of the nascent Network. The decision also establishes the Advisory Board as agreed to in Durban. The Board will have to lay down its modalities and rules of procedure in its first session in 2013, and present them to the Subsidiary Bodies in 2013.

So the institutional arrangements continued their slow, but steady progress in Doha. Anyhow, Parties were unable to reach agreement on some crucial institutional matters. The relationship between the TEC and the CTCN were once more discussed, with developing countries requesting a stronger role for the TEC in the context of the Technology Mechanism. Unable to reach a consensus, Parties delayed the discussion to the next COP.

Also, the relationship between the Technology Mechanism and the financial mechanism of the Convention proved to be unsolvable. Many developing countries have long clamoured for possibilities of direct access to finance for technology support, which would mean a much stronger stance for technology support in the UNFCCC context. Equally, many developed countries refuse that the Technology Mechanism should be able to access funding directly via a technology window in the financial mechanism. Anyhow, the Technology Mechanism will remain very weak without reliable and clear financial backing. The COP decided to take up the matter again in two years' time, at COP 20.[60]

Another matter that gives rise to continuous discussions among Parties is the role of intellectual property rights in the context of technology transfer under the Convention. While an earlier version of the negotiating text under the AWG-LCA explicitly mentioned mechanisms to promote access to affordable environmentally sound technologies, the final agreed text only gives reference to the TEC report which recommends further analysis of the role of IPRs in the technology transfer process.[61] While many developing countries support the TEC to further work on IPRs, some developed countries insist that the issue should not be dealt with in the UNFCCC context. It is still unclear if this discussion will ever be dealt with satisfactorily for all - or at least most - Parties.

7. Assessment and Outlook

[59] Arrangements to make the Climate Technology Centre and Network fully operational, Draft decision -/CP.18, 8 December 2012.
[60] Outcome of the work of the Ad Hoc Working Group on Long-Term Cooperative Action under the Convention: Revised proposal by the President, FCCC/CP/2012/L.14/Rev.1, 8 December 2012, para. 62.
[61] ibid, para. 60.

Many have highlighted that Doha succeeded in streamlining the negotiation process. Since 2005, the future of the climate regime had been negotiated in two tracks, the groups on the Kyoto Protocol and on long-term cooperative action under the Convention. After the failure to produce an agreed outcome in Copenhagen, Durban established yet another group, the ADP, to negotiate a comprehensive climate agreement by 2015. Doha closed the AWG-KP and the AWG-LCA so that countries can now focus their full attention on the ADP.

From the beginning, Doha was billed as a "transitional" COP, and nevertheless for a while it seemed close to collapse. The conference was ultimately saved through the COP president's vigorous wielding of his gavel, but once again saving the process came at the expense of actually achieving substantive results.

7.1 Key Outcomes

7.1.1 Business as Usual in the Second Kyoto Period

The value of the Kyoto Protocol lies not only in the quantified emission reduction commitments. It also lies in the common rules for emissions accounting and the global carbon market it has established. With the agreement on the second commitment period these features will be strongly in play to be included in the new comprehensive agreement that is being negotiated under the ADP.

However, today's Kyoto Protocol is clearly only a shadow of its former self. In Kyoto, all industrialised countries, covering more than half of global emissions, committed to reducing their emissions. After the defection of the USA, Japan, Canada, New Zealand and Russian Federation, CP 2 covers merely about 15% of global GHG emissions.

In addition, the commitments that have been made are by far too weak to actually achieve the target of keeping global temperature increase below 2°C. While the IPCC suggested that Annex I countries should reduce their emissions by at least 25-40% below 1990 levels by 2020, current commitments at best add up to 18%, not counting loopholes. Most of the commitments are hardly better than business as usual. For instance, the EU, which likes to portray itself as frontrunner, has committed to reducing its emissions by 20% by 2020 while domestic emissions in 2011 were already at -17.6%. Taking into account the credits from the flexible Kyoto mechanisms that were surrendered in the EU emission trading system in 2011, the EU has already reduced emissions by 20.7%.[62]

As a concession to developing countries the decision includes a review mechanism to increase ambition, which allows increasing the commitments through amendment

[62] Sandbag: Two more nails in the 20% coffin, http://www.sandbag.org.uk/blog/2012/nov/1/two-more-nails-20-coffin/, accessed 13 December 2012.

without the need for ratification. In addition, Parties are obliged to consider strengthening the commitments in 2014 and the review process will include a ministerial meeting to ensure high-level attention to the issue. However, several industrialised countries noted that in their view the ADP process on short-term ambition was the one where the real music was playing, essentially calling the KP review a bothersome formality.

In addition, the first Kyoto Period will probably accumulate about 13 billion surplus emission units and Doha decided that these may be fully carried over to CP2. This surplus has mostly not been accumulated through successful emission reduction policies but because the Kyoto targets of the former Eastern bloc countries were set well above their projected business-as-usual emission levels. At least Doha did manage to put in place some restrictions on using these surplus units in CP2: They may only be used for complying with the CP2 targets if emissions in a country go above the target and buyers may only purchase these units up to a maximum of 2% of their CP1 targets. In addition, all potential buyers submitted political declarations saying that they were not going to buy CP1 surplus units.

However, given the weak targets there would anyway not have been strong demand for hot air allowances anyway. The real problem is that the countries with surpluses will certainly want to carry them over into the post-2020 agreement. The hot air issue is therefore far from "resolved", as for example EU climate commissioner Hedegaard has claimed.[63]

One of the few positive results was that at least there will be no new "hot air" during CP2. Belarus, Kazakhstan and the Ukraine had again submitted targets well above their current and projected emission levels. For example, in the Ukraine emissions are currently about 60% below 1990 levels while the target it has submitted is only 20%. However, Doha decided that all CP2 units above the average level of emissions in 2008-10 will automatically be cancelled.

7.1.2 Money's Too Tight to Mention in the AWG-LCA

After having started with great applause and hopes for a new climate policy future in 2007, the AWG-LCA closed down amid strong acrimony and disappointment. Industrialised countries were eager to terminate the LCA and move on to the in their view real work of negotiating the 2015 agreement, arguing that the mandate of the AWG-LCA had essentially been completed in Cancún and Durban. They had hardly any give in them regarding climate finance and other issues and many feared that no agreement at all would be possible, which would have left many of the developing countries' key issues without a satisfactory resolution. These fears were not assuaged

[63] Why the Doha climate conference was a success, http://www.guardian.co.uk/environment/2012/dec/14/doha-climate-conference-success, accessed 17 December 2012.

when the LCA chair produced a compilation text on 3 December that had blank pages on adaptation, finance, technology and capacity building and other issues.

The adoption of the Bali Action Plan was clearly a landmark event, with one emerging economy country after the other declaring that they were willing to contribute their fair shares and the USA getting told to lead or get out of the way. And on the positive side, the AWG-LCA has resulted in more than 80 Annex I and non-Annex I countries making emission reduction pledges as well as a bevy of new institutions: the Green Climate Fund, the Standing Committee on Finance, the Technology Executive Committee, the Climate Technology Centre and Network (CTCN), the Adaptation Committee and the Adaptation Framework.

However, many of the emission reduction pledges are unclear, have conditionalities attached and cover wide ranges of possible reductions. The UNEP emissions gap report has no less than four scenarios on how the pledges may play out, ranging from 52 to 57 Gt CO_2-eq. of emissions in 2020. And even the best-case scenario is a full 8 Gt CO_2-eq. above where emissions should be as a maximum in 2020 to maintain a reasonable chance to achieve the 2°C target. UNEP also warned that the gap has actually increased by 2 Gt CO_2-eq. compared to last year's report, rather than decreased.[64]

In addition, the Bali Action Plan clearly highlighted the "comparability of efforts" of industrialised countries as a key objective. However, in addition to the wide numerical disparity of the pledges not even technical comparability is within reach. As in the past, the US strongly resisted all efforts to bring the emission accounting rules under the Convention in line with those under the Kyoto Protocol. Ultimately, Doha only managed to agree on a further work programme to inter alia identify "common elements" for measuring progress made toward the achievement of targets.

And while there is a host of new institutions, they remain to be endowed with actual meaning, that is, the resources to actually do some work. There continues to be no clarity on how financial support for developing countries will be scaled up to the USD 100 billion that were promised in Copenhagen and Cancún. Developing countries had demanded a clear roadmap with mid-term targets, but with the exception of some European countries most industrialised countries refused to clarify how much finance they were going to provide over the next years. In the end developing countries therefore only got a vague promise that industrialised countries will try to provide as least as much as during the last years, which was roughly USD 10 billion annually. At least, the invitation to industrialised countries to present their strategies for a mid-term financing goal will keep the needed scaling-up of finance on the political agenda.

[64] Greenhouse Gas Emissions Gap Widening as Nations Head to Crucial Climate Talks in Doha - UNEP http://www.unep.org/newscentre/Default.aspx?DocumentID=2698&ArticleID=9335&l=en, accessed 17 December 2012.

At the same time, OECD figures show that industrialised countries spent USD 58 billion on fossil fuel subsidies in 2011 – 5-6 times as much as they spent on climate finance. And this despite agreeing at the G20 summit in 2009 that phasing out fossil fuel subsidies should be a priority.[65]

One of the few silver linings from the perspective of developing countries was the question of loss and damage associated with climate change impacts that cannot be addressed through adaptation measures, such as extreme weather events or sea level rise. Despite resistance from industrialised countries and in particular the USA who fear being confronted with open-ended liability claims, Parties laid the foundation for institutional arrangements, such as an international mechanism, which, once established, could channel funds to developing countries suffering from the consequences of climate change. While this decision represents a pivotal step forward, here as well key questions including the sources of funding and how funds will be disbursed remain unanswered and will have to be further discussed next year. And the final text, "Decides to establish, at its nineteenth session, institutional arrangements, such as an international mechanism..." allows both sides to claim they got things their own way. While developing countries may claim that they got the option of establishing an international mechanism, the USA may equally claim that they did not agree to establish any such mechanism.

7.1.3 The Durban Platform: To Firewall or Not to Firewall?

The Durban conference last year decided that a new comprehensive climate agreement is to be negotiated by 2015 and start being implemented in 2020. In addition, a second work stream under the so-called “Durban Platform” is to negotiate ways for scaling up mitigation ambition for the period up to 2020. The task of the ADP for Doha was modest enough, it was merely to agree on the work programme for the next years, and in the end it turned out much less specific than many had hoped. Instead of a series of workshops with clear thematic focus as proposed for example by the small island states, the content of the next sessions was largely left open and will be left to the chairs of the working groups to be determined. As it is, what was agreed is more a schedule of events rather than a work programme.

The major controversy was about whether to make a reference to the Convention’s principles of equity and common but differentiated responsibilities in the work stream on the future agreement. As in Durban, the USA was adamantly opposed to any mention of these principles, due to concern that they may be invoked to uphold the “firewall” between Annex I and non-Annex I countries. As in Durban, the final decision does not mention these principles and even a reference to the outcome of the Rio+20 conference which did endorse them was deleted at the insistence of the USA. What is left is language that the ADP’s work will be guided by the principles of the Convention,

[65] Analysis: Rich Countries Spend Five Times More On Fossil Fuel Subsidies Than Climate Aid | ThinkProgress http://thinkprogress.org/climate/2012/12/03/1273061/analysis-countries-spend-five-times-more-on-fossil-fuel-subsidies-than-climate-aid/?mobile=nc, accessed 17 December 2012.

and in the final plenary the USA noted that they viewed this provision as having no relation to mandate and would reject any attempt to invoke it in the further work of the ADP.

Nevertheless, the ADP work programme does include "application of the principles of the Convention" as a discussion item, so there is a hook to discuss how to equitably share the necessary effort in the 2015 agreement. A beginning is the time for taking the most delicate care that the balances are correct.

7.2 Negotiation Dynamics

7.2.1 A Frontrunner Tripping Over Its Own Feet

The EU deserves a fair share of the blame for the weak Doha outcome. Intransigence by the USA and others can be taken for granted, so more progressive players need to figure out how to overcome this resistance beforehand. The success of a climate conference hinges on whether those who actually care about combating climate change are able to form coalitions and push those who do not against the wall. Just one year ago in Durban the EU provided a demonstration of how this can be done, coming with clear asks and clear offers, on the basis of which it was able to form an alliance with the small island states, least developed countries and others and thus isolate the naysayers.[66]

In Doha, the EU came bearing an emission reduction target it basically has already achieved, no joint financial commitment, and due to its internal differences on the issue it did not have any position on how to deal with the surplus units from the first Kyoto period until the pre-final night of the conference. All of these issues were key asks of developing countries, and thus the EU once again managed to turn itself into the bad guy, even though on substance it nevertheless had relatively speaking much more on offer than most other industrialised countries.

The EU therefore urgently needs to get in some low-carbon exercise in the run-up to the 2015 conference, which France wishes to host in Paris. One may probably be forgiven if the prospect of having the final round of negotiations on a new climate agreement going down in an EU capital gives one a strange feeling of déjà vu.[67] And sticking to 20% is probably the best recipe the EU could possibly come up with to make 100% sure that Paris is going to be another Copenhagen.

[66] W. Sterk, C. Arens, F. Mersmann, H. Wang-Helmreich, T. Wehnert (2011): On the Road Again. Progressive Countries Score a Realpolitik Victory in Durban While the Real Climate Continues to Heat Up, http://www.wupperinst.org/en/publications/entwd/index.html?beitrag_id=1864&bid=170, accessed 13 December 2012.

[67] Monty Python- Déjà Vu - YouTube http://www.youtube.com/watch?feature=player_embedded&v=G2eUopy9sd8, accessed 17 December 2012.

A key factor is that the enlarged EU with its 27 and now 28 member states is no longer the essentially Western European EU that took the lead on the Berlin Mandate and rescuing the Kyoto Protocol after the US defection. The new member states are much less wealthy than the old ones and to a certain extent it is understandable why countries such as Poland, which derives more than 90% of its electricity from coal, have difficulties with committing to aggressive mitigation actions. To be able to regain its former international stature, the EU will therefore probably need to work out a long-term internal effort sharing arrangement as the basis for presenting a united front internationally. As part of this, the economic powerhouses of Western Europe will probably need to offer the new members states substantial and reliable support for transitioning to a clean energy future.

7.2.2 An Unmovable Hegemon?

Post-election comments by President Obama had raised some hopes that the USA might take a more constructive position in the climate negotiations. In Doha, however, the USA was once again less than helpful in moving the process forward. Throughout the meeting, they rejected any suggestion to raise their emission reduction pledge and also refused to give developing countries any reassurance on the scale-up of climate finance. The USA also did its best to block the discussion on loss and damage, in particular the idea of establishing an international mechanism.

One positive moment was when Todd Stern, the lead US negotiator, declared that the USA was very interested in discussing equity and effort sharing for the post-2020 agreement. Nevertheless, the USA again tried to block any reference to the principles of the Convention in the ADP decision.

Post-Doha news are again raising hopes that a major change in US policy may be afoot. Apparently Senator John Kerry is slated to succeed Hillary Clinton as Secretary of State. Kerry has in the past been a strong supporter of tackling climate change and observers expect that he would make the issue a top priority in the State Department.[68] In addition, President Obama told "Time" magazine that climate change and energy were going to be among his priorities for his second presidency, "My primary focus is going to continue to be on the economy, on immigration, on climate change and energy".[69]

However, any meaningful action will require the cooperation of Congress. In particular, ratification of international treaties requires a 2/3 majority in the Senate. And the house that is the United States of America is perhaps more divided against itself than it has ever been in one and a half centuries. The rest of the world may therefore wish to

[68] A Secretary John Kerry Would Elevate Climate Issues - NationalJournal.com, http://www.nationaljournal.com/whitehouse/a-secretary-john-kerry-would-elevate-climate-issues-20121215, accessed 20 December 2012.

[69] Setting the Stage for a Second Term | TIME.com, http://poy.time.com/2012/12/19/setting-the-stage-for-a-second-term/, accessed 20 December 2012, accessed 20 December 2012.

consider how to deal with a country where one of the two major Parties has apparently almost completely withdrawn into its own version of reality, dismissing facts and evidence that do not fit with their view of the world – not only on climate change but on any number of issues. Apparently this has gone as far as going into the recent election confidently that Romney would win whereas most polls had shown a lead for Obama.[70]

The exasperation about the current state of the Republican Party is not only shared by US liberals but also by a number of conservatives, who have called the GOP a "cult"[71] and "the problem":

> "The GOP has become an insurgent outlier in American politics. It is ideologically extreme; scornful of compromise; unmoved by conventional understanding of facts, evidence and science; and dismissive of the legitimacy of its political opposition.
>
> When one party moves this far from the mainstream, it makes it nearly impossible for the political system to deal constructively with the country's challenges."[72]

One may also note that climate was also named as one of the top priorities of the new Obama administration in 2009.[73] And that observers have assigned a large share of the blame for the failure of the climate bill to the White House.[74]

Given this domestic US situation and given that international treaties need a 2/3 majority in the US Senate, expecting that the US will be able to agree to any kind of ambitious climate agreement in 2015 would seem to put the climate process on track for another Copenhagen. Or a repetition of the Kyoto experience, where the Protocol was largely designed according to US preferences, only to have the US not ratify it regardless. If wishes were fishes, we'd all cast nets.

7.2.3 Developing Countries Taking Different Tacks

The former unity of the G-77 and China is increasingly dissolving. In recent years, AOSIS and the LDCs repeatedly clashed with the larger G-77 countries, in particular China and India, on what should be the way forward, most dramatically in the final

[70] Adviser: Romney "shellshocked" by loss - CBS News http://www.cbsnews.com/8301-250_162-57547239/adviser-romney-shellshocked-by-loss/

[71] Goodbye to All That: Reflections of a GOP Operative Who Left the Cult http://truth-out.org/index.php?option=com_k2&view=item&id=3079:goodbye-to-all-that-reflections-of-a-gop-operative-who-left-the-cult, accessed 17 December 2012.

[72] Let's just say it: The Republicans are the problem. - The Washington Post http://www.washingtonpost.com/opinions/lets-just-say-it-the-republicans-are-the-problem/2012/04/27/gIQAxCVUIT_print.html, accessed 17 December 2012.

[73] BBC NEWS | Americas | Barack Obama's priorities for 2009, http://news.bbc.co.uk/2/hi/americas/7793045.stm, accessed 21 December 2012.

[74] Inside the Senate Battle on Climate Change: The New Yorker, http://www.newyorker.com/reporting/2010/10/11/101011fa_fact_lizza?printable=true, accessed 21 December 2012.

plenary in Durban. Brazil, China, India and South Africa have in recent years developed a distinct identity in the BASIC block. The left-wing Bolivarian Alliance for the Peoples of our America (ALBA in Spanish) that consists of Bolivia, Cuba, Ecuador, Nicaragua and Venezuela continually exhorts industrialised countries to pay their "climate debt" and undertake radical emission reductions.

2012 saw the emergence of two new groups. On the one hand, Chile, Colombia, Costa Rica, Guatemala, Panama and Peru, formed AILAC, the Association of Independent Latin American and Caribbean states. According to one of their interventions, AILAC is "formed around the view that countries need to act according to their capabilities and stop looking to others to act first."

On the other hand, the also newly active[75] "group of like-minded developing countries", which consists of China and India, several Arabic and left-leaning Latin American countries, such as Argentina, Bolivia, Cuba and Venezuela, and further middle-income countries such as the Philippines and Pakistan, is focusing on upholding the UNFCCC's principles of equity and common but differentiated responsibilities and reminding industrialised countries' of their historical responsibility for creating the climate problem.

7.2.4 Creating a Positive Feedback Loop Between National and International Action

"Survival is the ability to swim in strange water."

Many will probably once again blame the UN process for the weak outcome and suggest that climate change should be dealt with in other fora. However, the problem is not the process. The G20 and other fora have been dealing with climate change for years, and with the same lack of results.

The fundamental issue is that international politics do not happen in a vacuum. The positions countries take internationally are determined by their domestic political situations. International negotiations can therefore rarely take decisions that have not previously been prepared nationally.

And the current situation is that in most key countries there is as yet no appetite to undergo the fundamental economic and ecologic transformation that is necessary. Energy provision and transport are dominated by strong incumbent industries whose business models rely on using fossil fuels, and combating climate change basically requires to end these business models. The vast majority of the Earth's fossil fuel reserves needs to be left underground, two thirds of them according to the latest World

[75] While so far not present in the UNFCCC negotiations, the like-minded group has been active in the WTO and other fora.

Energy Outlook[76] from the International Energy Agency, or even four fifths when taking as basis a global carbon budget that gives a 80% rather than only a 50% chance of actually staying below 2°C.[77] Incidentally, countries' positions on climate change align rather neatly with the amounts of fossil fuel reserves they have on their territories.[78]

Given these domestic constraints, "At the end of the day, ministers were left with two unpalatable choices: accept an abysmally weak deal, or see the talks collapse in acrimony and despair – with no clear path forward", as Alden Meyer from the Union of Concerned Scientists put it.[79]

Progress in the international climate negotiations will therefore only be possible if sufficiently large pro-climate advocacy coalitions can be brought together in the key countries and across borders. And while it is certainly not able to the save climate on its own, the international climate process can serve as a key catalyst for the national discussions. While Copenhagen did not produce the hoped-for treaty, the deadline imposed by the Copenhagen conference injected a significant momentum into national discussions. One country after another elaborated domestic targets and actions, and presented them to the international audience. The run-up to Copenhagen hence resulted in a much better understanding of national mitigation potentials, available policy options and actions that countries are prepared to take. This momentum would hardly have materialised without the positive pressure exerted by the Copenhagen deadline. And in keeping this momentum, emission reduction actions are getting implemented in many countries around the globe, even if far from the scale that is needed.[80]

One of the main reasons why progress is so slow is that many people are not convinced that it is actually possible to sharply reduce emissions without wrecking the economy. Industrialised countries fear that taking the lead will lead to deindustrialisation and developing countries see being able to emit CO_2 without constraint as much-needed "development space". While the EU has tried to stop talking about "burden sharing" and instead talk about "effort sharing", "burden sharing" is what everyone has on their minds, which becomes clear from statements from Northern and Southern leaders:

> *"We will not cut our development potential."*

[76] World Energy Outlook 2012, http://www.worldenergyoutlook.org/publications/weo-2012/#d.en.26099, accessed 13 December 2012.
[77] Carbon Bubble | Carbon Tracker Initiative http://www.carbontracker.org/carbonbubble, accessed 13 December 2012.
[78] Revealed: How fossil fuel reserves match UN climate negotiating positions | Environment | guardian.co.uk http://www.guardian.co.uk/environment/blog/2012/feb/16/fossil-fuel-reserves-un-climate-negotiating?intcmp=122, accessed 13 December 2012.
[79] Doha Gateway: The reaction - 09 Dec 2012 - Analysis from BusinessGreen http://www.businessgreen.com/bg/analysis/2230663/doha-gateway-the-reaction, accessed 13 December 2012.
[80] Jake Schmidt: Countries Acting at Home to Address Global Warming: The Key Fight Ahead http://www.huffingtonpost.com/jake-schmidt/countries-acting-at-home_b_2261222.html, accessed 13 December 2012.

> *(Our) "lifestyle is not up for negotiation."*
>
> *(It) "would cost us jobs and damage our industry."*
>
> *(It) "would have a negative impact on the living standards (. . .) and for the competitiveness and for our businesses."*
>
> *"A more ambitious target would constrict (our) development space."*[81]

Yvo de Boer, the former head of the UNFCC secretariat, identified this lack of confidence in the viability of low-emission development as the key factor behind the failure of Copenhagen to deliver the hoped-for agreement.[82]

Pioneers showing that it is possible are hence critical. This could help creating a virtuous cycle where the international process serves to keep the climate issue on the agenda and at the same time catalyses bottom-up processes, which then in turn inject further momentum into the international process. Ambitious action by frontrunners also induces technological learning, which makes it easier for others to follow. For example, the renewables feed-in tariffs in Germany and other countries have induced massive cost reductions. The most striking case is solar PV where for each doubling of globally installed capacity the costs have dropped by 22%. And these trends are set to continue so that according to some analysts solar PV may even become cheaper than coal within this very decade – even without a carbon price.[83]

The run-up to 2015 must hence be seized as a catalyst to build national momentum. The opportunities will certainly be there, for instance the next assessment report by the Intergovernmental Panel on Climate change. And one of the few silver linings from Doha was the announcement by UN Secretary General Ban Ki-moon that he would convene a world leaders' summit on climate change in 2014. Such a summit is exactly what some analysts have called for:

> "The decisions required in 2015 will be momentous... These decisions are not within the powers of environment ministers, and they will not happen of their own accord. They require the direct engagement of heads of government, under the full glare of a summit spotlight. And that summit requires the kind of

[81] Former Russian President Dmitri Medvedev, former US president George Bush sen. Former Australian Prime Minister Andrew Howard, former Polish Environment Minister Maciej Nowicki, former Indian environment and forests minister Jairam Ramesh, quoted in Moomaw, William, and Mihaela Papa (2012): "Creating a mutual gains climate regime through universal clean energy services", in: Climate Policy, Vol. 12, No. 4, pp. 505-520, p. 507.

[82] Doha: Loss and damage in the desert - 10 Dec 2012 - James' Blog: a blog from BusinessGreen. http://www.businessgreen.com/bg/james-blog/2230841/doha-loss-and-damage-in-the-desert, accessed 17 December 2012.

[83] Solar PV rapidly becoming the cheapest option to generate electricity, http://www.grist.org/solar-power/2011-10-11-solar-pv-rapidly-becoming-cheapest-option-generate-electricity, accessed 13 December 2012.

> pressure that only the coordinated mobilization of global civil society — including the scientific community, businesses, non-governmental organizations and youth movements — can achieve."[84]

And the pressure that needs to be put on governments to get them moving seems to be enormous, given how little difference events like hurricane Sandy and the increasingly stark warnings even from normally staid institutions like the IEA and the World Bank have so far made. The below quote from a speech Churchill gave in Parliament in 1936 sounds as if it had been written for today's situation:

> "So they [the Government] go on in strange paradox, decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all-powerful to be impotent…. Owing to past neglect, in the face of the plainest warnings, we have entered upon a period of danger…. The era of procrastination, of half measures, of soothing and baffling expedience of delays, is coming to its close. In its place we are entering a period of consequences…. We cannot avoid this period, we are in it now…."[85]

It seems as if it's up to each one individually to take up Churchill's mantle and start pushing their governments for action, given that there's no politician in sight who would fit the bill. What is the world coming to when even 100 billion dollar hedge fund managers are calling on people to be brave and "Be persuasive. Be brave. Be arrested (if necessary)"?[86]

[84] Nature comment article 12 January 2012 - Michael Jacobs http://www.michaeljacobs.org/nature-comment-article-12-january-2012.html, accessed 13 December 2012.
[85] 'The Locust Years', House of Commons, 12 November 1936, The Churchill Society London. Churchill's Speeches. http://www.churchill-society-london.org.uk/Locusts.html, accessed 13 December 2012.
[86] Be persuasive. Be brave. Be arrested (if necessary) : Nature News & Comment http://www.nature.com/news/be-persuasive-be-brave-be-arrested-if-necessary-1.11796, accessed 17 December 2012.