
Echoes from Poznan

United Nations Conference on Climate Change, 1-12 December 2008

Wednesday, 10 December 2008

Looking for Significant Progress!

Equity: A Point of Convergence or Divergence?

After a first exchange of viewpoints during the workshop on the shared vision (see *Echoes from Poznan* No. 1), the discussions moved to the next level—the contact group. The Parties expressed their positions on the subject in a more "official" manner, but did not add much in the way of new elements.

Listening to the negotiators, one could think that there is a general agreement on the principles that should be at the centre of the shared vision, notably the principles of shared and differentiated responsibilities (in the Convention) and equity. However, very different interpretations of these principles exist.

For developing countries, notably China and India, developed countries have the most responsibility; consequently, these countries are the ones that must contribute to reducing emissions. Here, equity is based mainly on the criteria of emissions per capita.

For their part, developed countries are, overall, aware of the leadership that they must show when it comes to reducing emissions. Nevertheless, they believe that the active

participation of developing countries is indispensable. Each country's contribution to reducing emissions must be based on its responsibility and capacity to act. Here, equity therefore has a whole different meaning.

In this way, the challenge of the discussions is to define criteria that enable developing and developed countries' visions of equity to move closer together.

Adaptation: Respond Concretely to Present and Future Needs

In order to meet the urgent needs of developing countries—especially LDCs and small island states—in response to climate change, two funds were created in 2001 in the context of the Convention and the Protocol: the LDC Fund, fed by voluntary contributions, and the Adaptation Fund, fed by income from the Clean Development Mechanism (CDM).

However, one must admit that, until now, few adaptation actions have been financed. These countries therefore strongly expect that progress be made in Poznan to allow concrete adaptation measures to be implemented in 2009.

The Need for Concrete Action by 2013

The LDC Fund was set up to finance preparation and implementation of National Adaptation Programmes of Action (NAPAs) in LDCs. In December 2008, out of the 38 NAPAs elaborated, only one had been implemented (Bhutan). For LDCs, this is due to the cumbersome nature of financing application examination procedures.

The Adaptation Fund, for its part, is not fully operational. While the Bali Conference defined the Fund's governance mechanisms, several legal and procedural questions remained to be examined to make the Fund fully operational. Some of them were resolved during the year by the Fund Council set up in Bali. Despite this, a few points are still unresolved, notably the practical modalities for direct access to funding, and eligibility criteria.

In virtue of the Bali decision, countries must have direct access to resources without going through intermediary implementing agencies. The goal is to break with the "GEF" schema in which approximately ten implementing agencies¹ intervene, limiting access to funding. The Fund's Council is also responsible for managing projects and programmes (funding allocation, follow-up, etc.). However, it does not have an appropriate legal status to sign contracts with project/programme implementers.

Two options are currently under discussion:

- i. either the Conference of the Parties grants a legal status (legal entity or legal capacity) to the Council so that it may sign contracts directly with project/programme implementers (the position taken by developing countries),
- ii. or the Council accredits national bodies based on pre-determined criteria (including compliance with international fiduciary standards) that would be

created to manage projects/programmes in countries (position taken by the European Union).

Several informal consultations have been held in Poznan to find a compromise on this issue. Such a compromise is indispensable so as to be able to address eligibility criteria—the last missing link to allow the Fund to become operational in 2009—as soon as possible.

Among other things, setting up projects/programmes in 2009 would be conducive to establishing a climate of trust for the discussions on the climate agreement beyond 2012. Indeed, in these negotiations, developing countries want to see equal treatment given to mitigation and adaptation.

And What of Adaptation After 2012?

The Parties met twice (contact group) to identify points of convergence on a "consensus text" proposed by the Chairman of the Working Group on Long-term Cooperative Action (AWG-LCA).

Following these discussions, a consensus has emerged on a large number of points in regard to priority needs and measures (early warning systems, vulnerability mapping, information exchange, regional excellence centres, capacity building, etc.) or even synergies to generate with other processes such as natural disaster risk management or risk reduction.

However, certain controversial issues were avoided somewhat, notably in regard to the necessary new and additional sources of financing, the identification of priority beneficiary countries, and the establishment of insurance mechanisms.

¹ United Nations Development Programme, United Nations Environment Programme, World Bank, etc.

Technology and Financing: How to Bridge the Gap?

Since the last AWG-LCA meeting in Accra (August 2008), the “technology transfer” and “financing” pillars of the Bali Action Plan have been examined jointly. The Group of 77 and China expects considerable commitments from developed countries on these two subjects. In other words, the progress that could be made will to a large degree condition developing countries’ level of ambition in regard to the shared vision or their mitigation actions.

However, the discussions that were held on these two pillars (contact group) did not identify the hoped-for points of convergence between developing and developed countries.

Thus, the G77/China did not receive a precise and structured response from developed countries to its proposal on setting up an improved mechanism for technology transfer.

On these questions, divergences remain on two major points:

- *Institutional Mechanisms to Govern Technology Transfer*

On one side, the G77/China proposes creating new subsidiary bodies and a multilateral technology fund. On the other, developed countries want to rely on the existing mechanisms in the Convention and strengthen them for greater effectiveness.

- *Intellectual Property Rights (IPRs) on Clean Technologies*

For the G77/China, IPRs are a barrier to the transfer of advanced technologies. They would like the intellectual property regime to be relaxed for these technologies.

The Very Anticipated Arrival of the Ministers

Two days from the close of the Conference, little progress has been made in regard to the challenges of improving the Convention and Protocol and negotiating the future climate agreement.

Eyes are now turning towards the high-level Ministerial segment scheduled for 11 and 12 December. Positive signals are expected from the ministers, especially on the subject of the shared vision that will be discussed in an informal round table. Let us hope that these expectations are met!

In Poznan,

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