

# Regional Training Workshop for the Caribbean



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**ecbi**

European Capacity Building Initiative

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## INTRODUCTION

The Regional Training Workshop for the Caribbean took place on 30 and 31 October 2019, in Tobago. It was attended by 17 trainee negotiators appointed by National Focal Points from countries in the region.

ecbi Director Benito Müller welcomed participants. Opening the workshop, Councillor Kwesi Des Vignes, Honourable Secretary for Infrastructure, Quarries and Environment, Tobago, noted the importance of the climate negotiations to island states, and highlighted the importance of information in empowering people to speak up and speak out. Anju Sharma, head of the Publications and Policy Analysis Unit of the ecbi, briefly described ecbi, saying it is a network of organisations, including Oxford Climate Policy, International Institute for Environment and Development, and Legal Response International. She said ecbi works to build the capacity of new negotiators to the UN Framework Convention on Climate Change (UNFCCC), and to build trust and understanding among senior UNFCCC negotiators.

## SCIENCE OF CLIMATE CHANGE

Carlos Fuller, International and Regional Liaison Officer of the Caribbean Community Climate Change Centre and a senior negotiator for Belize, provided participants with a background on the science of climate change in this session, which was chaired by Sharma.

Fuller said systematic observations of weather began around 1850 when countries started to install weather stations around the world and collect data. Based on this data, a constant rise of temperature for the past 150 years has been observed around the world, with global average temperature now 1.1°C higher than at the start of the Industrial Revolution. Proxy data for over 1000 years, from tree rings, coral reef samples, and ice cores from the Arctic, also shows that the current temperature rise is unprecedented over 1000 years. In the Caribbean, temperatures have risen by 1°C in the past 50-60 years. What is alarming, he said, is that the temperature rise gradient is getting steeper and steeper with each passing decade. Of the warmest 10 years on record (1998, 2009, 2013, 2005, 2010, 2014, 2018, 2017, 2015, and 2016), nine have occurred in this century alone.

Sea levels have also risen, Fuller said, and this can be attributed to the warming of the ocean as water expands when it warms up, and the melting of glaciers, which adds more water to the ocean. The expansion of the oceans because of warming is a principal cause of sea level rise in the past century. Changes in precipitation have occurred, with some areas becoming drier and changes in the intensity of rainfall. Some areas have shorter periods of rain, but they are more intense. Areas in the Caribbean are hit by drought and flooding in the same year – for instance, St. Lucia faced the worst drought in 40 years over 2009 and 2010, but was hit by Hurricane Tomas in 2010, when the island got 25 inches of rainfall in 24 hours – that is a month or two of rainfall in only one day. In the Bahamas in September, Hurricane Dorian didn't move on for three days. The intensity of hurricanes is increasing, triggered by warm water because hurricanes get their energy from the ocean. In other parts of the world, including North Africa and Central America, droughts are causing a migration crisis, as farmers are no longer able to live off the land. Heat waves are increasing, causing higher incidences of mortality.

Fuller said that whereas other causes exist for global temperatures to fluctuate, such as solar flares and fluctuations in the Earth's rotation, these changes occur gradually, over aeons, unlike the changes observed over the past hundred years. These recent changes are caused by changes in the chemistry of the atmosphere – since 1750, carbon dioxide levels in the atmosphere have been rising, caused by burning of fossil fuels and

burning of forests. Methane levels are also rising, partly due to waste disposal systems. Nitric oxide levels are going up due to fertiliser use and tilling of soil. These are all greenhouse gases (GHGs). While GHGs are essential to sustain life on Earth, as the blanket of GHGs gets thicker and thicker, a lot of energy is retained, with 90% of this excess energy stored in the oceans, not in the air. Projections show that this increase of temperature is going to continue in future. The fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) indicates that without additional mitigation measures, temperatures could rise by as much as 3.7-4.8°C by the end of this century. Projected warming in the 21st century is expected to be greatest over land and in the high northern latitudes, and least over the Southern Ocean and parts of the North Atlantic Ocean.

He said modelling in the Caribbean, by the regional PRECIS model, predicts annual warming of between 1-5°C by 2080. The north-western parts of the region (Jamaica, Cuba, Hispaniola, Belize) are likely to become drier than eastern regions. This is modelling, not weather forecasts, Fuller emphasised, based on various estimates of future production levels, energy systems, agriculture, land clearing, etc.

Presenting a graph on atmospheric concentrations of carbon dioxide since 1960 from the Mauna Loa Observatory in Hawaii, Fuller noted that carbon dioxide emissions in the atmosphere continue to rise in spite of the UNFCCC agreed in 1992, the Kyoto Protocol in 1997, and the Paris Agreement three years ago. He noted the long lifetime of carbon dioxide in the atmosphere, saying concentrations of the gas in the atmosphere will continue to rise because carbon dioxide remains in the atmosphere for over 100 years. Carbon dioxide levels will take 100-300 years to stabilise even after emissions stabilise, and during this time temperature and sea level will continue to rise. Meanwhile, if “tipping points” are reached, reversal may be impossible.

Fuller then described the following predicted impacts of one metre sea level rise on the Caribbean region, based on modelling:

- Over 2,700 km<sup>2</sup> of land area will be lost (10% of The Bahamas), valued at over US\$70 billion.
- Over 100,000 people will be displaced (8% of the population in Suriname, 5% of The Bahamas, 3% Belize). The cost of rebuilding basic housing, roads, and services (such as water and electricity) for displaced populations is approximately US \$1.8 billion.
- Countries in the region will have annual GDP losses of US \$1.2 billion (over 6% in Suriname, 5% in The Bahamas, 3% in Guyana and Belize).
- At least 16 multi-million dollar tourism resorts will be lost, with a replacement cost of over US \$1.6 billion, and the livelihoods of thousands of employees and communities affected.
- Over 1% agricultural land will be lost, with implications for food supply and rural livelihoods (4% in Suriname, 3% in The Bahamas, 2% in Jamaica).
- Transportation networks will be severely disrupted, with the loss of 10% of the Caribbean Community (CARICOM) island airports at a cost of over US \$715 million. Land surrounding 14 ports (out of 50) will be inundated at a cost of over US \$320 million. The reconstruction cost of lost roads will exceed US \$178 million (6% of road network in Guyana, 4% in Suriname, 2% in The Bahamas).

He said the total economic impact in the region will be a GDP loss of over US \$1.2 billion per year (cumulatively US \$30 billion if a one metre sea level rise occurs in 2075). The value of land lost permanently will be US \$70 billion. Reconstruction and relocation costs could be US \$4.64 billion.

Fuller noted that coral bleaching events are increasing around the world, and are expected to increase even further in the future. Increased thermal stress on Caribbean coral reefs in the next 20-30 years is inevitable due to “committed” warming from GHG emissions already in the atmosphere. Under either the 1.5°C or 2°C warming scenarios, thermal stress on Caribbean coral reefs far exceeds current mass coral bleaching

thresholds. Adaptation may be possible for some Caribbean coral reefs if temperature rise is restricted to 1.5°C. Climate change and ocean acidification at 1.5°C will significantly degrade Caribbean coral reef ecosystems and the services they provide. This will be even more severe at 2°C. Beyond 2°C, many Caribbean coral reefs will not survive. The ecosystem services (fisheries and tourism) provided by coral reefs in the Caribbean are valued at between US \$1.5-3.5 billion per annum, he said. Fisheries will be threatened by the loss of habitat, and fish species will likely migrate. Research in French Guyana has shown, for instance, that the yellow tail snapper will disappear from most of Central America and migrate northward.

Describing the impact on agriculture in Belize, Fuller said a temperature rise of 1-2°C will reduce yields of sugarcane, a mainstay of the economy, by 12-17%. This will be a double whammy because the by-products of sugar production are used to generate electricity. The citrus industry will see a decline of between 3-5%. The production of main food staples such as beans, corn, and rice could decrease by 14-19%.

Further, he said, forestry in the country is threatened by higher temperatures, lower humidity, more forest fires, and more pests and diseases. In 1999-2000, very high temperatures and low humidity in Belize caused a pine bark beetle infestation, which destroyed 75% of the country's pine forest. This can be attributed to climate change, and to poor forest management at that time. This had several follow-on impacts: the dying of the trees emitted more carbon dioxide into the atmosphere; the lost forest cover resulted in loss of topsoil when the rains came; and the topsoil that flowed into the sea adversely affected the corals.

In conclusion, Fuller said he hoped the presentation would give participants reason to speak up, based on the severe threats that island nations are facing. He said island nations did not cause the problem but will be the worst impacted; and there is a moral dimension to climate change, as developed countries have emitted more than their fair share of carbon dioxide into the atmosphere.

In the discussion that followed, Sharma highlighted the political nature of climate science, given the high economic stakes for countries, and said the IPCC was set up to counter the criticism of climate science, by engaging scientists from around the world and across disciplines.

A participant asked about the financial implications of global temperature stabilisation, and the findings of the recent IPCC report on oceans. Fuller said the financial implications are tremendous, because of the fixed assets that are already in place for fossil-fuel energy generation. So even though the price of renewable energy is falling, and renewable energy is now cheaper than using fossil fuel as a source of energy in some parts of the world, countries don't want to tear down a fossil fuel plant that was installed recently, and bear the replacement costs. It is going to cost billions of dollars to have the rapid change that is required. This should not be a disincentive to act, he said, because some islands nations are drowning because of sea level rise and it is a matter of survival for them. An international response will be needed from the international community to save countries around the world.

On the IPCC oceans report, he said it raises important questions on the limits of adaptation. While some remedial action is possible, like replanting corals or irrigation systems to counter saline water intrusion from tidal waves, there are limits to adaptation, such as land loss due to sea level rise. The question then is who should bear the cost if, for instance, land has to be bought to relocate communities. He said a later session on loss and damage will address this issue in more detail.

A participant asked if the solution lies in a multilateral approach to the problem, or bilateral solutions, such as working bilaterally with governments. Fuller said both are required, and bilateral assistance usually is a result of the multilateral process and multilateral decisions to provide assistance. Without an international process,

the work of the IPCC, for instance would not be possible. Bilateral assistance is particularly helpful to countries that cannot access multilateral assistance, for instance from the Global Environment Facility; and multilateral assistance is important for countries like Iran and Cuba that have bilateral sanctions placed on them.

Sharma added that the wider justice questions around climate change need to be addressed multilaterally.

The participant said the multilateral process still cannot force countries like the US to act on climate change. Fuller said they are also feeling the impacts of climate change, with flooding in Florida due to hurricanes and wildfires in California. They will need to understand that they are saving themselves by acting on climate change. The US issued a *State of the Climate* report last year, which emphasises the national impacts of climate change. Chapter 20 of the report, which addresses Puerto Rico and the US Virgin Islands, lists the same impacts as the island states, and the report concludes that they should cooperate. While the US cannot be forced to act, pressure to do so should continue. It is possible that a future trade regime requires climate change to be incorporated into production methods.

Sharma asked Fuller to comment on the “science is not negotiable” logo on t-shirts worn by participants in the UNFCCC negotiations recently. Fuller said this was in response to the unwillingness of some countries to acknowledge the IPCC’s report on *Global Warming of 1.5°C*, because the report said that to achieve that 1.5°C target, global emissions must be reduced by 50% by 2030, and the world must be carbon neutral by 2050. This has economic implications for countries like Saudi Arabia, because petroleum production will be hampered. For the US, coal and fracking will be affected, and they will have to change production and transportation methods. The issue had to be taken to the Subsidiary Body for Scientific and Technological Advice (SBSTA), which could not resolve it, and there was no decision taken. Because of this incident, however, there is more awareness of the report than there would have been otherwise. Just because the doctor has an unpleasant diagnosis, Fuller said, it cannot be disbelieved. He also noted the role of IPCC reports in galvanising action on climate change in the past.

## THE POLITICS OF CLIMATE CHANGE

This session started with a presentation by Kishan Kumarsingh, head of the Multilateral Environmental Agreements Unit at the Ministry of Planning and Development, and lead climate negotiator of Trinidad and Tobago.

Kumarsingh started by narrating a story about his first UNFCCC meeting, saying he was sitting very quietly, trying to get a grasp of how things work, when the Chair of the Subsidiary Body for Implementation (SBI) called on him to convene an informal consultation on a difficult issue. He had to find out how to do this while on the job, Kumarsingh said, but he learned that when you are thrown into the deep end, you actually survive.

Moving on to his presentation, he said the geopolitics of climate change is directly related to the relationship between states, and the relationship between states is governed by various principles of international law, prime among them being the principle of sovereignty. Each country has the right to development, and right to its resources. There is no international police that will force the country to do anything that it doesn’t want to do, and therefore, that underlying principle of sovereignty usually plays out in multilateral processes and when cooperation in the international community is required. We can see it playing out now, he said – the US said that it will not be part of the Paris Agreement and no one can force the US, or any other country for that matter, to act. It’s a principle of the UN that every country, big or small, has equal status. Ultimately, he said, the efficacy of international law is always ultimately a function of political will.

Kumarsingh said it has long been established and acknowledged that energy drives economies, and so economic growth and emissions are closely linked, although we have seen recently that you can in fact, realise economic growth without a concomitant rise in GHG emissions. Emissions have multiplied several fold since the start of the Industrial Revolution, when humans started using fossil fuels to drive economic development. GHG emissions are caused by various economic socioeconomic sectors that are important to economic growth and citizen well-being. The richer countries of the North have a greater historical responsibility since they have been emitting higher levels since the start of the Industrial Revolution, at the expense perhaps, of the development of lesser developed countries of the South. Therefore, there was a development disparity between developed and developing countries, resulting in a North-South divide. This is worsened by the fact that many of the countries in the South that emit the least will be affected the most by climate change. Therefore, equity became a core issue for arriving at a solution to the problem, also with regard to capacity, finance, and technology.

Kumarsingh said sustainable development has been addressed multilaterally by all countries from as far back as 1972, when the first UN Conference on the Human Environment was held. The First World Climate Conference was held in 1979, identifying climate change an urgent problem. That was followed up by a series of international meetings that culminated in 1988, when the UN General Assembly adopted a resolution declaring that climate change is a “*common concern of mankind*”. In that same year, the World Meteorological Organisation and the UN Environment Programme established the IPCC, and it was mandated to look at the science of climate change. The first IPCC report was released in 1990 and had a considerable influence on policy makers. In the same year, the UN General Assembly adopted a resolution that established an intergovernmental process to negotiate a framework convention on climate change in order to develop a policy response to the issue of climate change, but also to respond to the scientific findings of the IPCC’s First Assessment Report. An Intergovernmental Negotiating Committee (INC) was established to draft the convention, and it met five times between 1991 and 1992.

From the early days, Kumarsingh said, different groups of countries began to coalesce around issues that were common to them, among them the Alliance of Small Island States (AOSIS). In 1992, the UN Framework Convention on Climate Change was adopted at the UN Conference on Environment and Development (UNCED), also called the Rio Summit, in Brazil. It was signed by 154 countries, including Trinidad and Tobago, and in 1994, it entered into force. The Convention did not include any binding commitments for countries to reduce their emissions. It established the “Conference of the Parties” (COP), which meets annually. In 1995, at the first COP in Berlin, it was agreed that UNFCCC commitments were inadequate, and the Ad Hoc Group on the Berlin Mandate was set up to negotiate a legally binding instrument. Following a two-year process, the Kyoto Protocol was adopted in 1997, which set limits for industrialised countries to reduce the emissions. However, time constraints prevented the conclusion of rules for implementation – that process took another four years.

The Protocol was “sort of” legally binding, Kumarsingh said, and when it was adopted, it was hailed as the most ambitious multilateral environmental agreement (MEA) ever adopted. It came into effect in 2008, for five years, until 2012. 2005 was also the year when the Ad Hoc Working Group on Further Commitments for developed countries under the Kyoto Protocol was initiated, as provided for in Article 3.9. The pressure on developing countries, particularly large emerging economies, to take on commitments continued to build. Developing countries responded that the issue of equity is important – emissions are tied to economic growth and energy production, taking on reduction commitments will stymie their growth. A dialogue on long-term action on climate change was also established in 2005.

In 2007, at COP13 in Bali, the **Bali Action Plan** was adopted, where for the first time developing countries agreed to take on “nationally appropriate mitigation action” (NAMAs) in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable,



reportable and verifiable manner. COP13 also established the **Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA)** and, in parallel, the **Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP)**. Agreement on post-2012 commitments, after the first commitment period of the Kyoto Protocol, was not possible by COP15 in Copenhagen in 2009, as had been hoped, and the mandate of the AWG-LCA was extended. Eventually, in COP17 in Durban, in 2011, a new round of negotiations was launched, aimed at developing “*a protocol, another legal instrument or an agreed outcome with legal force*” for the post-2020 period. This four-year process, under the Ad-hoc Working Group on the Durban Platform (ADP), culminated in the Paris Agreement in 2015.

In the intervening period, meanwhile, a number of important decisions were taken, Kumarsingh noted, including decisions on adaptation, and the decision in 2013, during COP19 in Warsaw, for countries to submit *intended* nationally determined contributions (iNDCs). This was a little bit of an aberration in the negotiation because it meant that the iNDCs came before the Paris Agreement, but a good one – it showed that countries were willing to contribute to a solution to the climate change problem.

The global policy response to climate change therefore consists of three international agreements, Kumarsingh summarised: the UNFCCC, the Kyoto Protocol, and the Paris Agreement. The Paris Agreement was ratified by countries within a record period, again signalling political will to address the climate change problem.

## UNFCCC

The objective of the UNFCCC is “*to achieve stabilization of atmospheric concentrations of GHGs at levels that would prevent dangerous anthropogenic (human-induced) interference with the climate system...such level should be achieved within a timeframe sufficient to allow ecosystems to adapt naturally to climate change, to ensure food production is not threatened and to enable economic development to proceed in a sustainable manner*” (Article 2). Kumarsingh noted that this calls for stabilisation, not reduction; does not specify at what levels; includes no timeframe; and is a declaration rather than a commitment. The Convention lays down the following principles, which also apply to the Paris Agreement:

- Inter-generational equity
- Common but differentiated responsibility (CBDR)
- Precautionary principle
- Right of all Parties to sustainable development
- Promotion of a supportive and open international economic system

He noted that the Convention calls on Parties to: submit GHG inventories; implement national and regional programmes to mitigate climate change; promote scientific and technical cooperation, and sustainable management of natural resources; prepare for adaptation; and integrate climate change in social, environmental and social policies. However, it does not compel Parties to adhere to any specific international standards for controlling climate change.

Article 4, which calls for assistance to developing states in the form of funding, capacity building and technology transfer, is based on the explicit assumption that the developed states that have contributed most to GHG emissions should contribute most to tackling the problem, and includes the notion of “historical responsibility”.

He noted that the UNFCCC lists developed countries as Annex I (41 developed countries and countries with economies in transition) and Annex II (21 highly developed countries that are members of the Organisation for Economic Co-operation and Development, or OECD). Developing country Parties are referred to as “non-Annex

I”, and include a number of sub-groups including the G77 and China, AOSIS, least developed countries (LDCs), Arab Group, African Group of Negotiators, CARICOM, etc.

## **Kyoto Protocol**

Moving on to the Kyoto Protocol, Kumarsingh said it sought to address growth in GHG emissions, equity of responsibility, and equity of costs. It included legally binding emission targets for developed countries to reduce their GHG emissions by an average of 5% compared to 1990 levels in the 2008-2012 period. It was agreed in the Berlin Mandate that the process should not include any new commitments for developing countries. He said the US initially signed the Kyoto Protocol, but then there was a change in administration, and the country failed to ratify it. George W. Bush called it a “fatally flawed” treaty, saying the US will have no part in it because it will be inimical to the interests of the US. This was a worry for the global community because at that point, he said, the US accounted for about a quarter of global emissions.

Kumarsingh said the Kyoto Protocol included three trading mechanisms: the Clean Development Mechanism (CDM), Joint Implementation, and Emissions Trading. 2% of the proceeds from the CDM were earmarked for the Adaptation Fund. The Protocol included a rigorous compliance system with both, a facilitative and enforcement branch, which he described as “semi-punitive”.

He said there were also commitments for developing countries in the Kyoto Protocol, to improve the quality of emissions data; implement national mitigation and adaptation programmes; promote environmentally friendly technology transfer; cooperate in scientific research and international climate observation networks; and support education, training, public awareness, and capacity building.

## **Paris Agreement**

Moving on the Paris Agreement, Kumarsingh said it entered into force upon ratification of 55 Parties that accounted for 55% of global emissions, nine months after it was agreed. Decisions taken at the Paris COP set out the framework for further negotiations to finalise rules, modalities, and procedures required for the operationalisation of the Agreement by 2020. Most of these rules were adopted at COP24 in Katowice in 2018, with the exception of the rules for cooperative approaches under Article 6, which will be discussed in more detail in another session at the training workshop; further details of the enhanced transparency framework; and the issue of common time frames.

Kumarsingh emphasised that the ultimate objective of the Paris Agreement is to limit warming to well below 2°C, while pursuing 1.5°C; and achieve a balance of emissions with sinks in the second half of the century (carbon neutrality). Parties will come together every five years, starting in 2023, to conduct a “global stocktake” and to ensure that there is collective progress towards these long-term goals. The special circumstances of small island developing states (SIDS) is recognised. Kumarsingh then summarised the following commitments for Parties under the Paris Agreement for mitigation:

- All Parties should prepare Nationally Determined Contributions (NDCs), and pursue domestic measures aimed at achieving them.
- All Parties should regularly report on their emissions and the progress made in implementing and achieving their NDCs, and undergo international review.
- All Parties should submit new NDCs every five years, with the clear expectation that they will be more ambitious than the previous submission.

He summarised the following elements on adaptation from the Paris Agreement:

- Adaptation planning process with action plans and policies
- Assessment of vulnerability – people, places and ecosystems
- Building climate resilience – economic diversification, sustainable management of natural resources
- Monitoring and evaluation of implementation
- Adaptation communication to UNFCCC (considered in the global stocktake)

On loss and damage, he said it was agreed to include the Warsaw International Mechanism on Loss and Damage (WIM) under the Paris Agreement, but an explicit paragraph in the accompanying Paris Decision states that it will not involve or provide a basis for any liability or compensation.

He summarised the following elements on climate finance in the Paris Agreement:

- Mobilising US\$ 100 billion a year in support by 2020 through 2025, with a new, higher goal to be set for the period after 2025.
- Developed countries to provide finance, with an invitation for developing countries to voluntarily do so.
- Developed countries to continue obligations under the UNFCCC, and provide financial resources to assist developing countries with mitigation and adaptation

On technology transfer and development, he said it was agreed to strengthen cooperative action, continue the Technology Mechanism, set up a Technology Framework to provide overarching guidance to the Technology Mechanism, and for developed countries to provide finance for technology transfer and development.

He summarised the following elements on transparency and compliance in the Paris Agreement:

- A “enhanced” transparency framework was agreed by Parties, to facilitate tracking of progress and be linked to the global stocktake.
- All Parties will report their GHG inventories.
- All Parties will provide information necessary to track progress in implementing NDCs.
- All Parties will provide information on financial, technology transfer, and capacity building support mobilised and received.

Kumarsingh concluded that the Paris Agreement represents a fundamental shift away from the “top-down” governance model of its predecessor, the Kyoto Protocol. The Agreement is an experiment in a hybrid, more flexible approach to global cooperation, combining “bottom-up” mechanisms of national target setting with “top-down” oversight and stocktaking procedures. It is the first universal climate change agreement, and reflects a global consensus on the need to confine global temperature rise to “*well below 2°C above pre-industrial levels*”; and to aspire to “*limit the temperature increase to 1.5°C*”. Implementation will be driven by a range of actors, including states, cities, businesses, civil society organisations and local communities.

However, he said, current national mitigation pledges in the NDCs are not yet ambitious enough, and the Agreement’s success therefore hinges, among other things, on whether ambition will be scaled up over time. There are still questions to be resolved, including of differentiation between developed and developing countries, operationalising equity, and the thorny issue of compensation for loss and damage. He said courts may have potential role in the future, with climate change litigation emerging as a potentially powerful tool to hold governments and businesses accountable for climate (in)action.

In the discussion that followed a participant asked how we can say we are progressing on the UNFCCC objective and the Paris Agreement's objectives, while countries like the US have withdrawn and developed countries are not acting fast enough. Kumarsingh responded that the UNFCCC instrument is not separate from the Paris Agreement. Article 2 of the UNFCCC sets the framework for the Paris Agreement, and the objectives of the Paris Agreement are a further elaboration of that objective. He said countries cannot be forced to act, given the principle of sovereignty. However, sub-national and private actors in the US are coming forward with pledges to act. Moreover, not long after the US President announced that the US will withdraw from the Paris Agreement, China and the EU, two unlikely bedfellows, issued a joint statement saying that they will double their efforts to ensure that the Paris Agreement is a success. He said the US can send in its withdrawal request in November 2019, and it has to wait for a year after that for the withdrawal to be effective – that will be a day after the US elections take place in November 2020. He said ambition will be reviewed every five years in the global stocktake under the Paris Agreement, but in the end, the efficacy of international law is a function of political will, but it is in the interest of politicians and governments to address climate change because it is causing socioeconomic destruction.

Another participant asked what the SIDS should be asking for in the negotiations. Kumarsingh said the first level of decision-making for SIDS in the Caribbean is at the national level, and the second level is CARICOM level, where a CARICOM position is negotiated based on the national positions. The third level is within the AOSIS. He said the main concern for the SIDS has been the long-term stabilisation of temperatures, which is a matter of survival. He noted, however, that not all SIDS are the same – they include stronger countries like Singapore. The AOSIS then negotiates with the rest of the G77 and China, where it may or may not be possible to arrive at a common position.

Fuller added that SIDS are listed as one of eight groups that have special needs in UNFCCC Article 4.8.

A participant asked how consensus positions at various levels are arrived at, and how a negotiator can play as a member of a team but still make sure her point gets across, especially since national priorities may differ a lot. Sharma said the first session after lunch will focus on arriving at a group position.

## ARRIVING AT A GROUP POSITION

In this session, chaired by Kumarsingh, participants were asked to arrive at a group position on whether the COPs should be held every year going forward, or should be reduced in frequency. It started with senior negotiators providing the context of the discussion in the negotiations, and tips to participants on how to arrive at a group position.

## LOSS AND DAMAGE DUE TO CLIMATE CHANGE

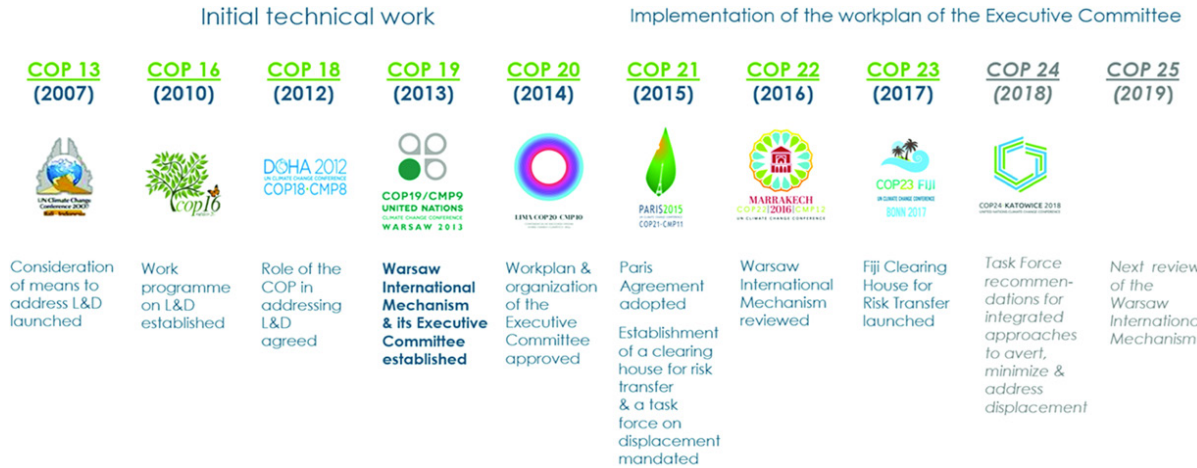
This session started with a presentation by Fuller, who defined loss and damage as the negative effects of climate variability and change that people or systems have not been able to cope with, or adapt to. He described two kinds of loss and damage: “slow onset” loss and damage, through processes such as desertification, land and forest degradation, glacial retreat and sea-level rise; and loss and damage due to extreme events such as tropical cyclones, storm surges, floods, and drought.

Fuller said loss and damage can cause economic and non-economic losses. Economic losses include reduced income (for instance, in agriculture and tourism), and loss of physical assets such as property and

infrastructure. Non-economic losses to individuals include loss of life and human health. Non-economic losses to society include loss of territory, cultural heritage, indigenous knowledge and cultural identity. Non-economic losses to the environment include loss of biodiversity and ecosystem services.

He said loss and damage is a key issue for AOSIS. In a 1991 INC, AOSIS proposed an insurance mechanism to provide for those countries which could lose land as a result of sea level rise. The proposal did not get included in the Convention, through UNFCCC Article 4.8 states that “Parties shall give full consideration to what actions are necessary under the convention, including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties arising from the adverse impacts of climate change...”

Subsequently, in COP7 in 2001, Parties were called to consider “implementation of insurance-related actions to meet the specific needs and concerns of developing county parties arising from the adverse effects of climate change”. In 2007, at COP13, loss and damage was addressed directly for the first time, as a decision called for enhanced action, including, “means to address loss and damage associated with climate change impacts in developing countries that are particularly adverse to the effects of climate change”. He presented the following graphical representation of progress on the issue under the UNFCCC since 2007:



Fuller said AOSIS tabled a proposal for a multi-window mechanism for international loss and damage at COP14 in Poznan. At COP16 in 2010, in Cancun, a work programme on loss and damage was established, to consider 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. At COP17 in 2011, Parties agreed to structure the organisation of the work programme into three thematic areas:

- Assessing the risk of loss and damage associated with the adverse effects of climate change and current knowledge.
- A range of approaches to address loss and damage associated with the adverse effects of climate change, including impacts related to extreme weather events and slow-onset events, taking into consideration experience at all levels.
- The role of the Convention in enhancing the implementation of approaches to address loss and damage associated with the adverse effects of climate change.

At COP18 in Doha, in 2012, it was agreed that a mechanism on loss and damage will be established at the next COP. At COP19 in 2013, the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) was established, with an Executive Committee (ExCom) to guide the functions of the WIM. The key functions of the WIM are to:



- Enhance knowledge and understanding of comprehensive risk management approaches to address loss and damage;
- Strengthen dialogue, coordination, coherence and synergies among relevant stakeholders; and
- Enhance action and support.

At COP21 in Paris, in 2015, the Paris Agreement included Article 8 on loss and damage, where Parties recognise the importance of averting, minimising and addressing loss and damage. It was agreed that WIM shall be subject to the authority and guidance of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA) and may be enhanced and strengthened by the CMA, and Parties should enhance understanding, action, and support. Areas of cooperation were identified, and it was agreed that the WIM shall collaborate with existing bodies and expert groups under the Agreement and other relevant organisations and expert bodies outside the Agreement. Areas of cooperation identified include:

- Early warning systems
- Emergency preparedness
- Slow onset events
- Events that may involve irreversible and permanent loss and damage
- Cooperative risk assessment and management
- Risk insurance facilities, climate risk pooling and other insurance solutions
- Non-economic losses
- Resilience of communities, livelihoods and ecosystems

Decision 1/CP.21 further included paragraphs 47-51 on loss and damage, which:

- Decide to continue the WIM following its review in 2016;

- Request the ExCom to establish a clearing house for risk transfer serving as a repository for information on insurance and risk transfer to help Parties develop and implement comprehensive risk management strategies;
- Request the WIM to establish a task force on approaches to avert, minimise and address displacement; and
- Agree that Article 8 of the Agreement does not involve or provide a basis for any liability or compensation.

COP21 also requested the ExCom to establish a clearing house for risk transfer that serves as a repository for information on insurance and risk transfer; and a task force to develop recommendations for integrated approaches to avert, minimise and address displacement, related to the adverse impacts of climate change.

At COP16, the first review of the WIM took place, addressing the structure, mandate and effectiveness of the WIM. It was agreed that the review of the WIM will be no more than five years apart, and the periodicity of future reviews will be decided at the 2019 review. The terms of reference for the review will be made available six months in advance of the review (in June 2019). The 2019 review will consider progress under the ExCom and be guided by the long-term vision of the WIM. It was also agreed that the Secretariat will prepare a technical paper on sources of finance for loss and damage, and the ExCom will consider the establishment of additional expert groups, subcommittees, panels, thematic advisory groups or focused working groups to assist it in conducting work and supporting efforts to enhance action support.

Fuller said in COP23, in 2017, the ExCom's five-year rolling plan was endorsed, and it was agreed to convene the Suva Expert Dialogue in May 2018 to explore ways of securing expertise and enhancing support to address loss and damage.

At COP24, in 2018, the report of the ExCom was considered, including the recommendations by the task force on displacement, and the IPCC's special report on *Global Warming of 1.5°C* was noted. Parties agreed (informally) to defer discussions on the governance of WIM until after COP24. A CMA decision on the transparency framework also agreed to consider climate change impacts and adaptation, and information related to averting, minimising, and addressing loss and damage associated with climate change impacts. The decision on the global stocktake agreed on the modalities, including on averting, minimising and addressing loss and damage associated with the adverse effects of climate change.

The terms of reference for the review for the WIM were agreed in May 2019, at the Subsidiary Bodies (SBs) meeting. The review, in COP25 in December 2019, will be conducted by the SBI and SBSTA, and result in a draft COP/CMA decision. The report of the ExCom will be submitted through the SBs. A decision on the governance of the WIM, and whether it will be governed by the COP, CMA, or both, is expected to be taken.

Elaborating on the terms of reference of the review of the WIM at COP25, Fuller said the objective is to consider progress on the implementation of the workplan of the WIM ExCom, as well as on enhancing and strengthening the long-term vision of the WIM. The scope of the review will include all activities since the establishment of WIM in 2013, and focus on:

- Performance of the WIM and its functions
- Structure of the WIM
- Usefulness of WIM outputs
- Collaboration, coherence and partnerships with stakeholders inside and outside the Convention
- Progress on implementation of the ExCom's workplan
- Response of the WIM to relevant decisions

Regarding the inputs and sources of information for the review, Fuller said these will include:

- The technical paper on sources of, and modalities for, accessing financial support.
- The annual reports of, and outputs by, the ExCom and the reports of its substructures.
- Views relevant to the WIM submitted by the Parties in October 2019 and previous submissions on the review of the WIM.
- The workplan of the ExCom.
- Relevant decisions and the Paris Agreement.

Sources of information for the review may include relevant scientific and technical reports of national, regional and international organisations; relevant national and regional strategies, plans, and reports; relevant outputs of constituted bodies, and from events organised under the UNFCCC process; and views relevant to the WIM submitted by other stakeholders.

Fuller said an event will be organised by the secretariat in conjunction with SB51 on 1 December 2019, and the review by the SBs, will be informed by, inter alia, this event. While it is expected that a draft decision will be prepared by the SBs, including a set of recommendations, it is not yet clear who the decision will go to – the COP, CMA, or both.

## MITIGATION AND NDCS

This session started with a presentation by Anju Sharma.

Sharma briefly narrated the history of mitigation during the INCs, when the UNFCCC was being written, saying the US was opposed to globally agreed mitigation targets from the beginning, and had instead proposed nationally-determined “pledge and review” action, where all countries undertook nationally-determined action on mitigation. While this proposal was initially supported by other developed countries, the Convention did not include legally-binding targets beyond calling on developed countries to stabilise their emissions to 1990 levels. However, the Berlin Mandate, adopted at the first COP, called for globally-agreed targets for mitigation, and therefore the first commitment period of the Kyoto Protocol included targets for developed countries to reduce their emissions by around 5% compared to 1990 levels, by 2012.

However, when the successor to the first commitment period of the Kyoto Protocol was being discussed, the “pledge and review” concept was revived as “nationally-determined contributions” (NDCs), where, instead of a globally agreed and fair way of deciding how much each country should mitigate, based on their global responsibility and capability, it was simply decided that countries would decide themselves what they consider fair, and how much they will mitigate.

Sharma noted that the decision to call on countries to submit NDCs was taken before the Paris Agreement was agreed, in COP19 in Warsaw in 2013, where all Parties were invited to initiate or intensify domestic preparations for what became known as “intended” NDCs, or iNDCs, and communicate them before COP21 in 2015. This call was reiterated in the Lima Call for Action in 2014. In COP21, where the Paris Agreement was adopted, the Secretariat had already prepared a synthesis report on the aggregate effect of the 119 INDCs that had been communicated by 147 Parties. The Paris Agreement made NDCs a part of the Agreement, and called on Parties to prepare, communicate and maintain successive NDCs. The Paris Agreement entered into force on 4 November 2016, and Parties are expected to implement their NDCs from 2020 onwards (although some have already started). She listed the following elements on NDCs in the Paris Agreement:



- Each Party *shall* prepare, communicate and maintain successive NDCs.
- Each NDC will represent a progression, reflecting CBDR.
- Developed country NDCs *should* undertake economy-wide absolute reduction targets.
- Developing countries *should* enhance mitigation efforts and move to economy-wide reductions over time.
- Support *shall* be provided to developing countries for implementation.
- LDCs and SIDS have flexibility to prepare and communicate strategies, plans and actions for low GHG emissions development.
- Each Party shall communicate an NDC every five years.
- NDCs shall be recorded in a public registry.
- All Parties shall provide information for clarity, transparency, and understanding (CTU).
- In accounting for their NDCs, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability, and consistency (TACCC).

Sharma briefly explained the difference between “*shall*” and “*should*” provisions in international treaties, saying the “*shall*” provisions are more binding while the “*should*” provisions are less binding. She noted that Parties only have an obligation to submit NDCs under the Paris Agreement, and no obligation to actually achieve them. Only the following elements of the NDCs are binding:

- Prepare, communicate, and maintain NDCs.
- Pursue domestic measures in line with NDCs
- Communicate NDCs every five years.
- Account for NDCs and promote environmental integrity, TACCC, and ensure avoidance of double counting.
- Regularly provide information on national inventories and information necessary to track progress.

Describing the lifecycle of the first round of NDCs, Sharma said new/ updated NDCs are expected in 2020. In 2023, a global stocktake will review progress on implementation, and based on the outcome of this review, new NDCs are expected in 2025. NDCs can be updated at any time, however, as long as they result in enhanced ambition – no “backsliding” is permitted at any point.

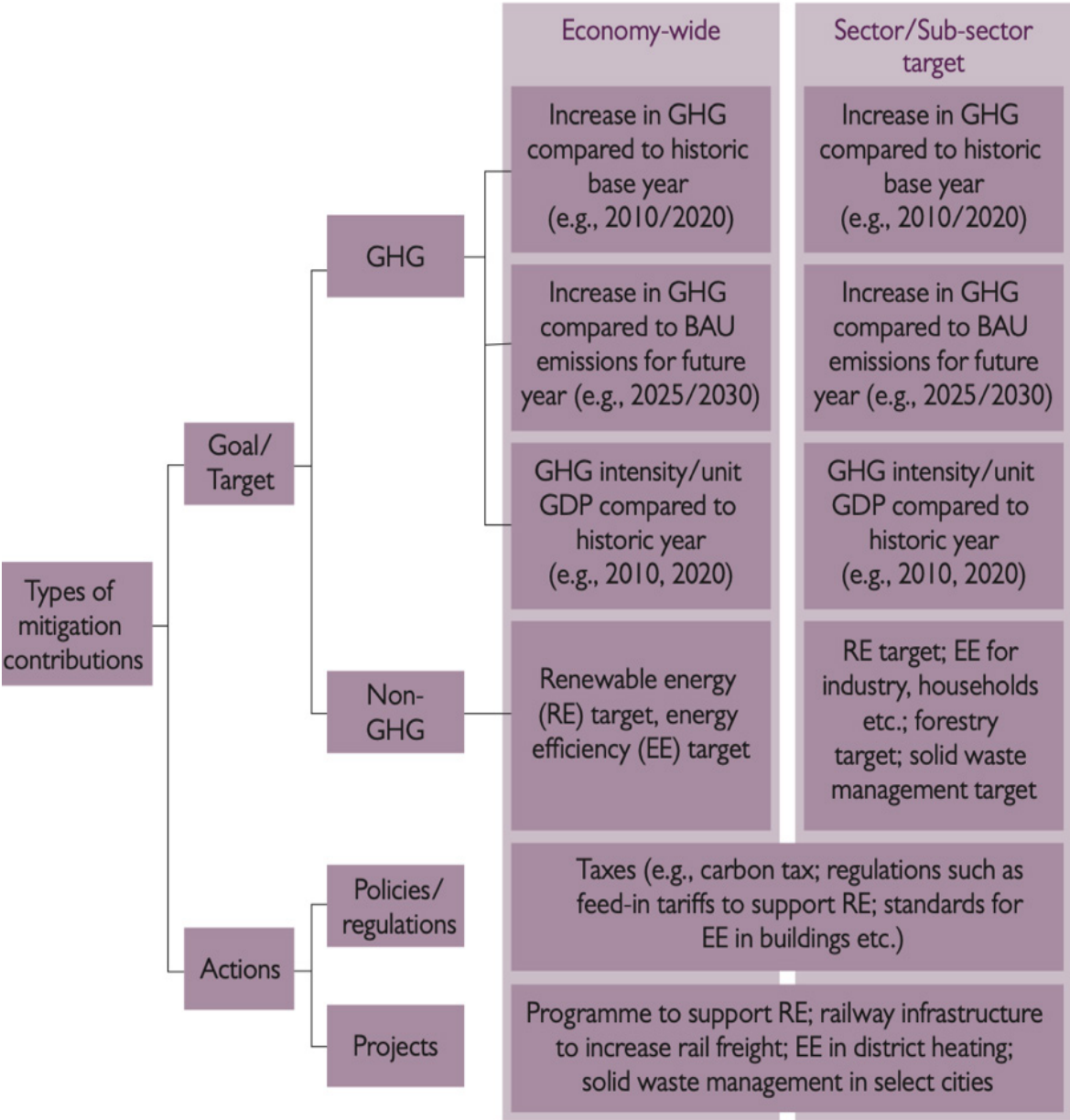
Sharma noted that 184 Parties have submitted their first NDC, and only one Party (the Republic of the Marshall Islands) has submitted an updated NDC to date. Since very little guidance was provided initially on what the features of NDCs and what they should contain, and how they should be formulated, the NDCs submitted so far vary widely in content, and in their timeframes.

On content, she said some NDCs include mitigation, adaptation and means of implementation, while others do not. Article 13 of the Paris Agreement can be interpreted to mean that NDCs can contain elements related to:

- Mitigation
- Adaptation
- Financial support
- Capacity building

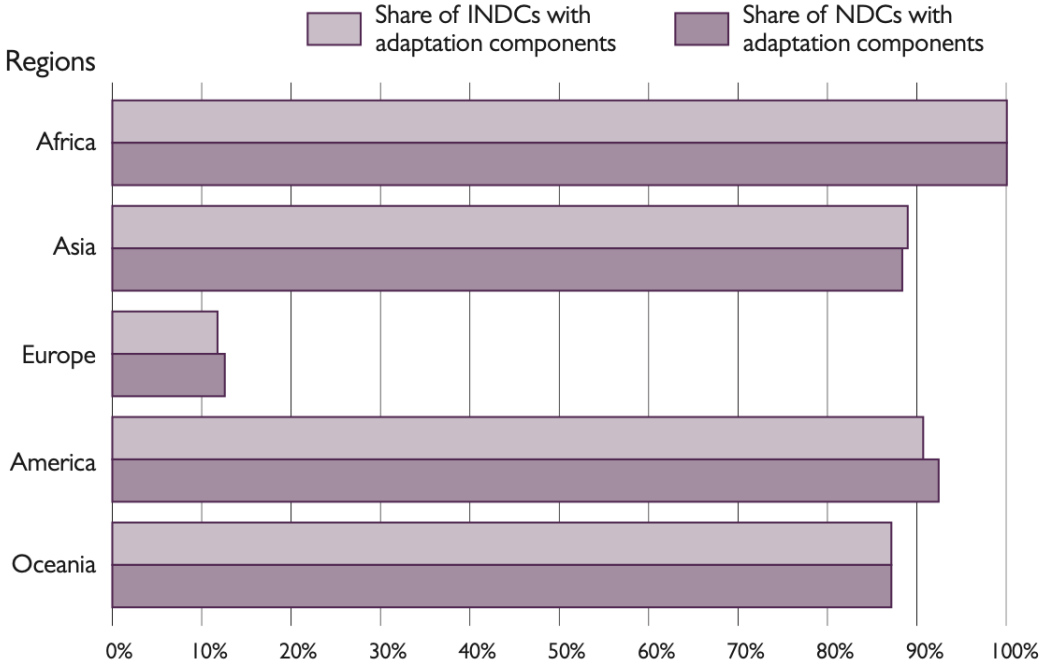
On mitigation, NDCs take various approaches. Some list goals, and others simply list actions. Among goals, some are goals based on GHG emissions (such as reductions in GHG emissions in comparison to a base year or to business-as-usual, or GHG intensity targets), and others are non-GHG (such as renewable energy or energy efficiency targets). Actions include policies and regulations (such as taxes, standards etc) or projects (to support renewable energy, for solid waste management etc.).

# Approaches to mitigation in the NDCs



She said most countries have chosen to include adaptation in their NDCs, and the content is equally varied, ranging from simply a summary of observed impacts of climate change, to the identification of vulnerable sectors and priority adaptation needs, and the articulation of time-bound adaptation targets.

# Adaptation in NDCs



Sharma noted that many countries have “conditional” elements in their NDCs – elements that are conditional to the provision of international support for implementation. Some NDCs are even fully conditional, while others include both conditional and unconditional elements.

# Conditional elements in NDCs

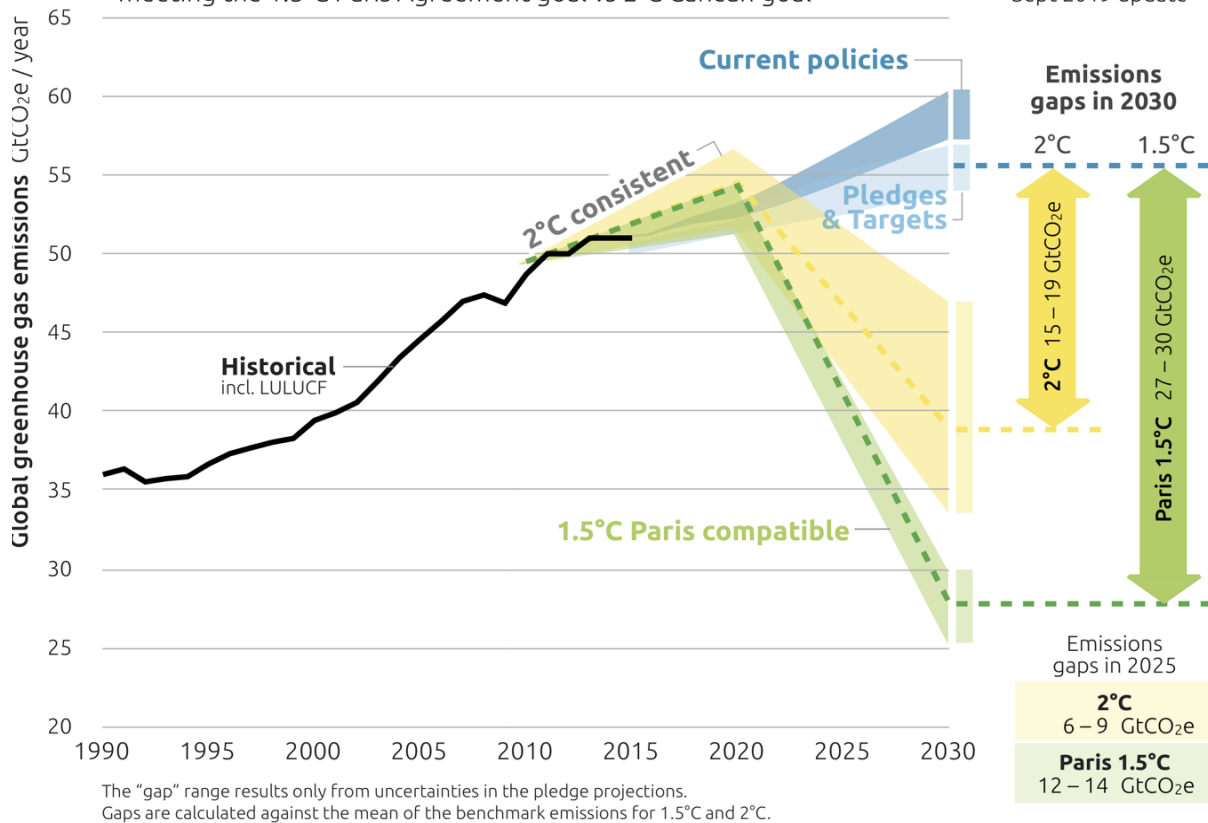


# 2030 EMISSIONS GAPS

CAT projections and resulting emissions gaps in meeting the 1.5°C Paris Agreement goal vs 2°C Cancún goal



Sept 2019 update



Sharma noted that the current NDCs are not adequate to achieve the 2°C goal, or the 1.5°C aspiration of the Paris Agreement. While the NDCs of some countries, including Russia, Saudi Arabia and the US, are critically insufficient to meet these goals, others are highly insufficient (Canada, China, Indonesia, Japan, and others), insufficient (EU, Australia, Brazil, New Zealand etc.), and only some are compatible with the 2°C goal (including Bhutan, Costa Rica, and India), or with the 1.5°C goal (Morocco and The Gambia).

She said some countries plan to submit new NDCs in 2020, either to increase ambition, or, for instance in the case of some African countries, because they feel that they prepared the iNDCs in haste, with little time, and therefore either missed out sectors, or because further information has come to light since the INDCs were prepared. She invited participants to discuss their NDCs, and whether there are plan to update NDCs in advance of 2020.

## MOCK NEGOTIATIONS

The second day of the training workshop included two “mock negotiation” sessions chaired by Kumarsingh, to familiarise participants with the procedures and practices of the formal UN negotiations. The negotiating text, and the [Pocket Guide on Loss and Damage](#) was shared with participants in advance of the workshop. Participants negotiated a text on loss and damage, first as representatives of an AOSIS country, and then as representatives of Groups. The sessions included advice from the seasoned negotiators present.

Participants learnt, among other things: negotiating etiquette; the importance of identifying the critical elements of a negotiating text, the so-called “redlines” that their country or Group cannot compromise upon; the importance of Group consultations, particularly before compromises are struck with other groups; the importance of listening carefully to the proposals made by other countries or groups; supporting each other in the negotiations; the importance of informal discussions with other groups in between negotiating sessions to understand different viewpoints; searching for common landing grounds, trade-offs and compromises, and coming up with constructive suggestions, rather than holding entrenched positions or getting wedded to certain text; clearly understanding the stakes for their own countries and groups, if a decision is not reached on a particular topic; and reading up in advance of sessions, to ensure that they are well informed.

## CLIMATE FINANCE

This session started with a presentation by Janine Felson.

Felson noted that unlike some of the other issues, there is a lot more solidarity among developing countries because a fundamental issue in the climate negotiations is the distribution of costs of action, and who should pay, keeping in mind the CBDR principle enshrined in Article 3.1 of the UNFCCC.

Felson said Article 4 of the UNFCCC calls for new and additional resources for developing countries, with adequacy and predictability. Article 11 creates a “financial mechanism” for the provision of grants and loans through “operational entities”. The operational entities currently include the Global Environment Facility (GEF), the Green Climate Fund (GCF), the Special Climate Change Fund, Adaptation Fund (under the Kyoto Protocol), and LDC Fund. UNFCCC Article 11.2 states that the financial mechanism shall have an equitable and balanced representation of all Parties within a transparent system of governance – this is important, Felson said, to ensure that recipient countries also have a role in the governance of climate finance. She also noted that the Adaptation Fund, initially financed through a 2% levy on the CDM, was the first to have balanced representation, and it has been one of the most successful funds.

Article 11.5 states that “*developed country Parties may also provide, and developing country Parties avail themselves of, financial resources related to the implementation of the Convention through bilateral, regional and other multilateral channels*”. This, Felson reminded participants, was in the context of the overall goal of the Convention, to stabilise GHG emissions. These arrangements also served the Kyoto Protocol.

A Standing Committee on Finance (SCF) was set up at COP16, in 2010 in Cancun, to assist the COP in exercising its functions in relation to the financial mechanism; and also address long-term climate finance, including mobilisation and scaling up, in the context of the long-term goal. The SCF is intended to improve coherence and coordination in the delivery of climate finance. It assists in the rationalisation of the financial mechanism, and supports the COP with the mobilisation of financial resources and with the measurement, reporting and verification of support to developing country Parties. The SCF also holds an annual forum on climate finance, and drafts guidance for the operated entities, and produces a biannual assessment of climate finance flows.

She noted that the Copenhagen Accord, although not formally ratified by the COP, set up the “US\$ 100 billion annually by 2020” goal for climate finance. This was formalised the following year in Cancun. Felson said that the provision of US\$ 100 billion annually has been a subject of acrimonious debates, about whether or not developed countries are actually delivering on their climate finance commitments. Biannual high-level ministerial dialogues are also held since 2014.

Felson described the finance provisions of the Paris Agreement, saying the 1.5°C aspirational goal has major implications for the scale of finance that will be needed for mitigation. Article 9 discusses finance, listing the following elements:

- Article 9.1 states that developed countries *shall* provide financial resources to assist developing countries in both mitigation and adaptation, while 9.2 states that “other Parties” are encouraged to provide support voluntarily.
- The Agreement talks of “*mobilizing*” rather than “*providing*”, climate finance from a wide variety of sources, instruments and channels, “noting” the significant role of public funds, and taking into account the needs and priorities of developing country Parties. Such mobilisation should represent a progression beyond previous efforts.
- Article 9.4 states that the provision of scaled-up resources should aim to achieve a balance between adaptation and mitigation, taking into account, particularly, the priorities and needs of those that are particularly vulnerable to climate change and have capacity constraints, such as LDCs and SIDS. It should also take into account the need for public and grant-based resources for adaptation.
- Importantly, Article 9.5 calls for developed countries to communicate, biennially, projected levels of public financial resources to be provided.
- Information related to climate finance provided by developed countries will be considered as part of the global stocktake, according to Article 9.6.
- According to Article 9.7, developed countries will also provide information on the support provided and mobilised through public interventions – the modalities, procedures, and guidelines for providing this information will be agreed by CMA.
- The financial mechanism of the UNFCCC will serve the Paris Agreement.
- The operating entities will aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for, in particular, LDCs and SIDS.

She noted that ambition in the Paris Agreement is closely linked to the financial resources that will be provided. A balance will have to be struck between effective implementation and effective support. Felson noted that another goal of the Paris Agreement is to make finance flows consistent with low GHG emissions and climate resilient pathways. Moreover, it was agreed, as part of the Paris decision, that the US\$ 100 billion goal would continue till 2025, and prior to that, the CMA will agree a new collective quantified goal from a floor of US\$ 100 billion annually.

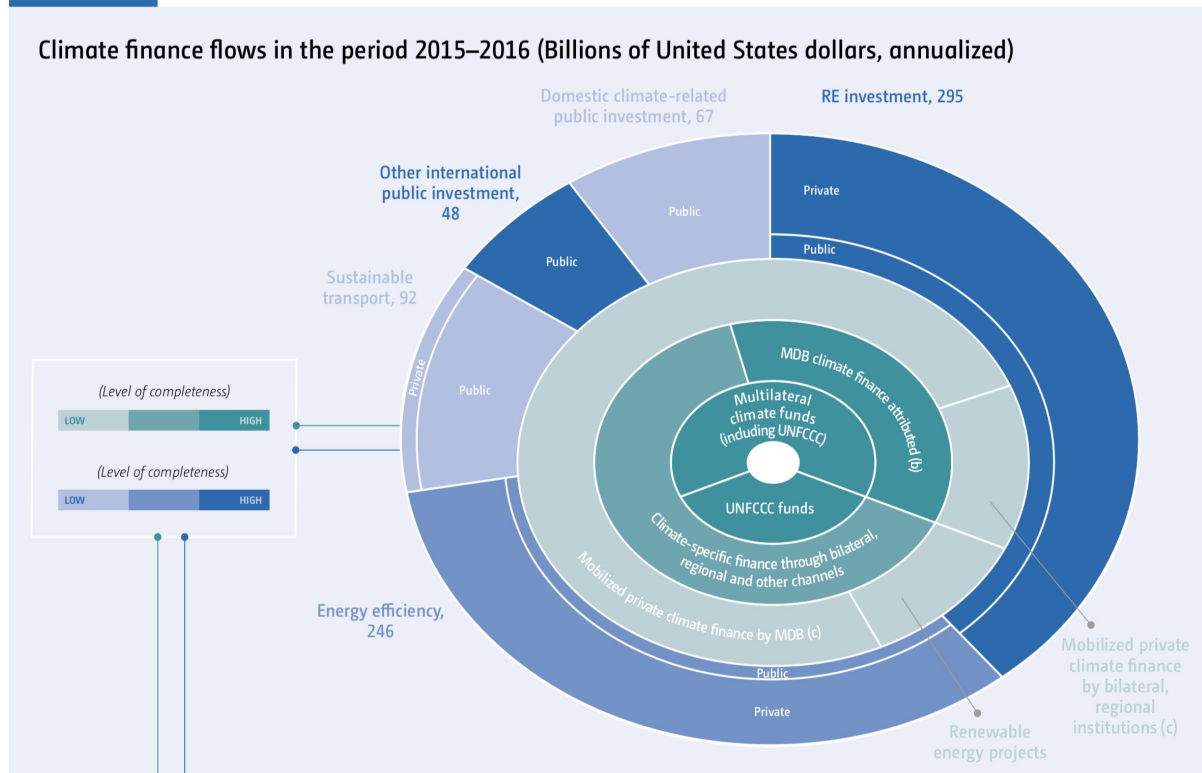
Felson said in Katowice, it was agreed that a dedicated online portal will track finance flows. She noted a stronger emphasis now on collective efforts, as opposed to just the burden sharing among developed country Parties as originally envisioned under the Convention.

She then described the findings of the latest *2018 Biennial Assessment and Overview of Climate Finance Flows* of the SCE, covering the 2015-2016 period, and looking at a variety of sources. The total amount of climate finance over this period is estimated at US\$ 64 billion to US\$ 70 billion, she said, noting that only a very small portion of climate finance goes through the UNFCCC financial mechanism (US\$ 0.6 billion in 2015, and US\$ 1.6 billion in 2016). These figures do not rule out double counting, Felson said, and are a drop in the ocean compared to, for instance, investment in fossil fuel (US\$ 742 billion) and fossil fuel subsidies (US\$ 373 billion).

She highlighted transparency of support as a key element of the Paris Agreement, addressed through the following provisions:

- Article 9.5, on ex ante finance (finance to be provided).
- Article 9.7 on ex post finance (finance that has been provided).
- Article 13, which includes transparency requirements for support needed and received.

Figure 1



Finally, she highlighted the following elements of finance that will be considered at COP25:

- SBSTA will focus on transparency-related finance issues, including agreeing common tabular formats for support provided and mobilised, and considering the additionality factor. The formats will be important to ensure that sufficient information is available in future to avoid double counting, ensure climate finance is additional, and figure out how much is in the form of grants and loans.
- COP/CMA will consider the US\$ 100 billion goal and its successor, and the SCF will report progress on a mandate to assess needs assessment. In addition, guidance will be provided to the operating entities on replenishment, and ensuring access to adequate and predictable finance to implement the Paris Agreement. She noted that the first replenishment of the GCF is taking place this year, with US\$ 9.8 billion pledged so far.
- Other issues related to climate finance include the WIM Review, and discussions on the Adaptation Fund.

In the discussion that followed, Müller said the funds pledged for the GCF are for four years, and US\$ 3.5 billion a year indicates a considerable gap between needs and resources. He highlighted the need to consider innovative sources of finance to ensure adequate funds are available. He also noted that the discussion on Article 2.1(c) on making finance flows consistent refers not only to international flows, but also domestic expenditure.

## TRANSPARENCY UNDER THE PARIS AGREEMENT

This session, chaired by Fuller, started with a presentation by Rueanna Haynes. She invited participants to share what they thought “transparency” means. Participants answered variously that it is about showing accountability, showing what countries are doing, and about monitoring and reporting progress in the Paris Agreement.

Haynes agreed that it refers to clarity, accountability, measurement, and analysis. She defined transparency as the system of reporting and review that has evolved over time to track Parties’ implementation of specific obligations under the UNFCCC, the Kyoto Protocol, and now under the Paris Agreement, to ensure Transparency, Accountability, Consistency, Comparability and Completeness (TACCC).

Haynes noted that the Enhanced Transparency Framework (ETF) is a central feature of the Paris Agreement, as Parties are obligated to report on their implementation but are not obliged to actually meet the commitments in their NDCs. The ETF therefore allows Parties to:

- monitor each other’s implementation efforts;
- improve on their reporting over time and also to provide clarity on their NDCs; and
- generate information that can be used by the public to engage with their governments on climate change action.

Transparency plays a pivotal role in allowing the public to engage with their governments, and also in the “ambition cycle” of the Paris Agreement, Haynes said. It will help everyone understand what Parties are doing, and then encourage Parties to do more to meet the objectives ambitiously set out in Article 2 of the Paris Agreement – all of this without actually explicit mention anywhere in the Agreement that Parties shall implement their NDCs and meet the objectives that they have set out in the Agreement. The Talanoa Dialogue that took place in 2018 was a test run in having a review process that would encourage Parties to do more, though it was very unsuccessful in that regard. The global stocktake will be held every five years from 2023 to consider the information from the ETF.

Haynes then described elements of the transparency arrangements under the UNFCCC, saying it was a bifurcated system with different rules for Annex I and non-Annex I countries. Under the Paris Agreement, this bifurcation will be phased out. Under the Kyoto Protocol, there is a more in-depth reporting and review system linked to a compliance regime only for Annex I countries. This will also be phased out. The new ETF of the Paris Agreement will come into effect in 2024 and includes more detailed reporting requirements for developing countries. She noted that many developing countries will not have enough experience with the reporting requirements under the new process.

Haynes said the new ETF has two main areas of focus: transparency of action and transparency of support. Both include three main phases: reporting, a technical expert review (TER), and a multilateral facilitative consideration.

For **reporting**, all Parties *shall* submit national inventory reports (NIRs) of GHG emissions; and *shall* report on progress made in implementing and achieving their NDCs. All Parties *should, as appropriate*, report on climate change impacts and adaptation. Developed country Parties *shall* and other Parties that provide support *should*, report on financial, technology transfer, and capacity-building support provided to developing country Parties. Developing countries *should* report on financial, technology transfer, and capacity building support needed and received.



For the **TER**, all Parties *shall* undergo a TER of the information they submit in their reports. Developed country Parties *shall* undergo a TER of information submitted on the support provided.

All Parties *shall* undergo a **multilateral facilitative consideration of progress**.

Haynes said even though the intention is to slowly phase out the bifurcation, flexibility is built into the system, especially for countries with limited capacity and with special circumstances, such as SIDS and LDCs. Reporting under this new system is not an easy task, and will include regular and up-to-date measurement, data collection, and analysis. In many countries, a lot of this information is only available through census, which are conducted once in ten years. Often, even the census do not go into the level of detail that will be needed. The data may be available with private entities in some cases, and not to governments.

Describing the existing arrangements for transparency of action under the UNFCCC, which will continue till 2024, she noted the following differences for Annex I and non-Annex I countries:

- Annex I countries use the 2006 IPCC guidelines for their GHG inventories, while developing countries use the revised 1996 guidelines.
- Annex I countries are expected to submit their GHG inventory reports annually. Non-Annex I can submit them every two years, with further flexibility for LDCs and SIDS.
- Annex I countries are expected to submit their National Communications every four years, and developing countries are encouraged to do the same, depending on support.
- Annex I countries submit Biennial Reports (BRs), while non-Annex I submit Biennial Update Reports (BUR).
- The BRs of Annex I countries undergo International Assessment and Review (IAR), a process that includes a technical expert review process followed by a Multilateral Assessment. Non-Annex I BURs undergo International Consultation and Analysis (ICA), which combine an analysis of the BURs by a team of technical experts, followed by a Facilitative Sharing of Views (FSV).
- While it is mandatory for Annex II countries to report on support provided through their BRs and common tabular formats, with standardised reporting formats and parameters, it is not mandatory for non-Annex I countries to provide information on support needed and received.

Haynes noted that the transparency of support arrangements are also more stringent under the Paris Agreement, with standardised reporting format and parameters for developing countries to report on support needed and received.

Summarising the key differences between the transparency systems under the UNFCCC, Kyoto Protocol and Paris Agreement, Haynes said the UNFCCC has a sort of a matching system for developed and developing countries, but with different types of obligations. The Kyoto Protocol has a much more developed system, but only for developed countries, and it is linked to a compliance regime. The Paris Agreement has obligations for all Parties, but with flexibility for SIDS and LDCs, and for developing countries that need it in light of their capacities.

Describing the current mandate for Parties in the negotiations, Haynes said it was agreed at COP24 that Parties should develop:

- Common reporting tables for the electronic reporting of NIRs.
- Common tabular formats for the electronic reporting of information on: tracking progress for implementation of NDCs; financial, technology development and transfer and capacity building support, provided and mobilised as well as needed and received.

- Outlines of biennial transparency reports (BTRs), NIRs and TER reports.
- A training programme for technical experts participating in the TER.

Haynes noted that the issue of flexibility for developing countries in light of their capacities continues to be controversial, with regard to which parts the flexibility can be applied to. Parties have been asked to make submissions on: the operationalisation of flexibility; tabular formats for tracking progress in implementing NDCs; tabular formats for support needed and received and support mobilised; and experiences with use of the IPCC 2006 guidelines, and transitioning from the IPCC 1996 Guidelines to the 2006 Guidelines.

Haynes concluded with the following list of AOSIS positions:

- Clear understanding of the use of flexibility allowances under MPGs.
- Maximum clarity and avoidance of double counting in the tabular formats for support provided and mobilised.
- Use of tables and tabular formats with a view to promoting TACCC principles.
- Expanded capacity building support in particular for SIDS and LDCs especially for generating data, and for reporting on support received and needed.
- Timely completion of the 2020 mandate.

Among useful resources, she listed the ecbi [Pocket Guide on Transparency](#), and the UNFCCC website's [overview on transparency](#).

In the discussion that followed, Fuller noted that only Jamaica has submitted its first BUR in the Caribbean region, and been through the process of technical review and FSV. Guyana is now preparing its first BUR. If countries had been up to speed, they would be on their third BUR by now. He urged participants to talk to their focal points back home, because learning by doing will be easier now. He noted that funding is available through the GEF for the BURs.

A participant asked how the ETF can be about accountability, when punitive measures cannot be implemented if countries do not comply. Haynes responded that the binding elements of the Paris Agreement only include the submission of NDCs, and the review process. So there will be some accountability on those specific obligations, as set out in Article 15 on the compliance committee. There is no obligation for Parties to actually achieve their NDC under the Paris Agreement – which is why it becomes important for Parties to report on the progress made in implementing and achieving their NDCs. What happens if a country is not on track? That is a million dollar question. There is a link between the review process under the ETF and the Article 15 implementation and compliance committee, but it remains to be seen how that linkage is going to be operationalised. However, none of consequences will be particularly punitive. Although, she noted, what is punitive is also subject to interpretation – for some states, merely having to engage with the compliance committee is punitive. There is, however, no clear path to accountability for actually achieving an NDC.

Another participant asked what will then prevent countries from underachieving on their NDCs again and again. Haynes said hopefully, a country's citizens will hold their governments accountable to meeting their NDC. Müller said an assumption of good faith will be essential, until countries default on purpose again and again without making any effort to address their shortcomings.

A participant asked about adaptation and the transparency arrangements. Haynes responded that adaptation is considered a second pillar of the Paris Agreement along with mitigation and means of implementation. It was therefore felt that it will be important to include adaptation in the transparency system, albeit without a strong obligation for Parties to report. There are a lot of different methods that are already available for

Parties to communicate information on adaptation, so the question is whether the ETF is creating an additional burden. It was decided that it would not constitute an additional layer but that Parties could submit, for example, a National Adaptation Programme or an Adaptation Communication, to indicate what their needs are and what they have been doing in the context of adaptation. The second issue has to do with whether there would be common reports and tables or common tabular formats for adaptation. The answer is definitely not – adaptation varies so much from country to country. There have been various efforts to try to develop common methodologies for measuring adaptation, but none of them have made their way into the process. So there will be no common reporting format for adaptation, and Parties can submit as much information as they like, in particular on support needed.

## ARTICLE 6

This session started with a presentation by Müller. He said as participants may recall from the session on the politics of climate change, the rules for the implementation of Article 6 could not be agreed in Katowice.

Providing an overview of Article 6, he said the Article defines three mechanisms for international cooperation when implementing their NDCs:

- Transfer of mitigation outcomes through bilateral cooperation (Article 6.2).
- Trading of mitigation outcomes credited by the UNFCCC (Article 6.4).
- Non-market based approaches, including climate finance, technology transfer, capacity-building, identification of synergies, development of tools, institutional coordination etc (Article 6.9).

Müller described three key principles that should underlie all three mechanisms:

- Protect environmental integrity (no increase in emissions).
- Raise ambition in NDCs, not undercut it.
- Promote sustainable development.

Elaborating on Article 6.2, Müller said the Paris Agreement states that: “Parties shall, where engaging on a voluntary basis in cooperative approaches **that involve the use of internationally transferred mitigation outcomes** [ITMOs] **towards nationally determined contributions**, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the [CMA].”

He noted that the discussion on the rulebook for implementing the Article 6.2 mechanism has not yet defined exactly what an ITMO is, but this mechanism is purely bilateral – there is no central governing body or executive board. There is guidance for accounting to avoid “double counting”, or the use of the same emissions reductions in more than one place, but that’s it. The avoidance of double counting is achieved through a “corresponding adjustment” in both the seller and user NDC. Key outstanding issues for Article 6.2 include the following, he said:

- What are ITMOs? Do they have internationally defined characteristics? Are they *credits* or pure *accounting units*? Can they be created for any form of mitigation? Or are some sectors and activities (such as emissions from deforestation and forest degradation, and forest conservation, sustainable management of forests, and enhancement of forest carbon stocks – or REDD+) excluded?
- Can ITMOs be used by private companies and other compliance schemes, such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)?

Müller said if they are credits, then the private sector can buy and then resell them. If they are accounting units, then they can only be used between Parties. Countries are also worried that REDD+ activities will be difficult to account for. On CORSIA, he said it is a scheme announced by the International Civil Aviation Organization in 2016, to deal with emissions from international air travel that exceed the baseline of 2020 levels, and a lot of credits will be needed to achieve that. Allowing CORSIA to use ITMOs, however could be complicated, especially in a system where countries determine their national “caps”. On the other hand, others say the airline sector will need to use credits to comply, and the UNFCCC might as well regulate the quality of credits to ensure they are generated through proper mitigation, not just hot air.

Müller then explained the complexities of corresponding adjustments for ITMOs, saying this could be done in two ways – through a “target-based” approach, or a “tally-based” approach. In a “target-based” approach, the buyer registers an increase and the seller registers a decrease in their NDC target to ensure that both are not counting the same emissions reduction. But what if the reduction in emissions by the seller was made in a sector that is not included in their NDCs? By definition, there are no “targets” in this case, so how can the corresponding adjustment be made? Making the adjustment within the NDC will end up increasing the ambition of the NDC and making it more difficult to achieve. Instead, he proposed a “tally-based” approach, where the buying country removes the corresponding amount from its final NDC tally, and the seller compensates the use of the transferred ITMO from outside the NDC not by adding the amount to its final NDC tally, but to its final non-NDC tally. He noted dissent on whether sectors and activities outside the NDC should qualify for the cooperation mechanism, saying those in favour argue that this will help expand activities to beyond the sectors covered in the NDC.

Moving on to Article 6.4, he said the Paris Agreement defined it as a “*mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development*”, with a Supervisory Body designated by the CMA to oversee and approve the issuance of Article 6.4 emissions reductions – also called A6.4ERs. The key principles for this mechanism are as follows:

- Activities must be additional.
- Activities shall promote sustainable development.
- Emission reductions are calculated and verified against crediting baselines.
- The host country must approve the activity and authorise the international transfer of the A6.4ERs.
- The mechanism generates finance for adaptation through a “share of proceeds”.

Müller explained “share of proceeds” as a portion of the credits going towards funding adaptation activities, like in the case of the CDM, where 2% of the proceeds were earmarked for adaptation (through the Adaptation Fund), and for administrative costs. He noted that the key issues that remain controversial in the Article 6.4 discussions are similar to those under Article 6.2, including:

- The scope of the activities (for instance, should REDD+ activities be allowed)?
- The use of A6.4ERs through private companies or in other compliance schemes (such as CORSIA).
- Can they be generated from outside the NDC sector?
- Must they involve corresponding adjustments?

Moving on to non-market approaches under Article 6.8, he said this mechanism was introduced by countries that have little faith in markets, and in the beginning, people were confused about what could be included here. Over time, a number of good ideas have come up on how the mechanism can be used – including, for instance, by allowing smaller countries to come together and “bulk purchase” energy efficient technology, driving down costs through economies of scale. The Paris Agreement Article recognises “*the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a*

*coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity building, as appropriate”.*

Müller said Parties are negotiating a work programme to implement the framework of non-market approaches, and key unresolved issues include the objective of the work programme, and the governance of the framework.

In the discussion, a participant asked whether the mechanisms could become a disincentive for meaningful change in countries, which may feel they can buy credits instead of doing anything. Müller said since action under the Paris Agreement is nationally determined, most countries that have put out NDCs have thought about how they will achieve the target already. Sometimes, this can go wrong, and the credits will most probably be used in these cases. They are unlikely to go out spending money abroad for something that they don't want to do nationally.

Kumarsingh noted that unlike the Kyoto Protocol, the Paris Agreement is applicable to all Parties, and all Parties have targets, it is unlikely that they will be able to buy their way out of an NDC commitment by merely purchasing enough credits.

Fuller emphasised the importance of a good tracking system to ensure environmental integrity. He also described an AOSIS proposal to ensure “overall mitigation in global emissions”, by setting aside a portion of the credits generated. He noted that there are various regional, independent trading systems outside the UNFCCC system, which may not be as good at ensuring environmental integrity, and therefore it is important for the UNFCCC to agree on the rules for these mechanisms.

A participant asked what will happen if countries purposefully have low ambition in their NDC, just so they can trade. Fuller said this is an important aspect and could generate a lot of “hot air”. Müller said hot air can be generated by the Article 6.2 mechanism, and also under the project-based 6.4 mechanism.

Müller observed that regional NDCs could also be considered as a “non-market” approach.

## **GROUP WORK AND FEEDBACK**

This session started with participants identifying their key issue of interest and having a group discussion with others interested in the same issue, to discuss national priorities related to the issue, and ways of keeping in touch and supporting each other in the negotiations in future.

Participants and resource people then provided feedback on the workshop. The resource people advised participants, among other things, to maintain their optimism, stamina, and curiosity; focus on specific topics instead of trying to follow several; be proactive; always be prepared and do their homework; network widely, building relationships across borders; and make themselves (and their focus area) known to fellow negotiators and subject lead negotiators in the AOSIS group.

Participants highlighted the usefulness of the workshop in preparing them for the negotiations, particularly COP25, saying it was very well executed. They appreciated the opportunity to interact with senior negotiators from AOSIS and said their level of comfort with engaging and speaking up has increased as a result of their participation. They found the resource material sent in advance, and the advice and feedback from resource people, very helpful. Among areas for improvement, they suggested group work at the start of the workshops to allow the participants to get more familiar and comfortable with each other; more time, with longer



workshops; and “cheat sheets” of country positions, particularly the positions of the AOSIS group, on key issues.

The workshop ended with a vote of thanks by Müller to the Environmental Research Institute Charlotteville (ERIC), Tobago House of Assembly, the resource people, and the participants.