



THE OUTCOMES OF COPENHAGEN

The Negotiations & The Accord



UNDP ENVIRONMENT & ENERGY GROUP CLIMATE POLICY SERIES



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Capacity development for policy makers: addressing climate change in key sectors

The UNDP Environment & Energy Group project, “*Capacity development for policy makers to address climate change*”, seeks to strengthen the national capacity of developing countries to develop policy options for addressing climate change across different sectors and economic activities. The overall goals of the project are twofold:

- To increase national capacity to co-ordinate Ministerial views and participate in the processes of the United Nations Framework Convention on Climate Change (UNFCCC), particularly in the context of the Bali Action Plan;
- To assess investment and financial flows to address climate change for selected key sectors and enhance sectoral planning capacity to address climate change.

In support of the first goal, UNDP has produced a series of briefing documents on the negotiations. These include:

- *The Bali Road Map: Key Issues Under Negotiation, October 2008*
- *Financing under the Bali Road Map: Designing, Governing, and Delivering Funds, July 2009*
- *Nationally Appropriate Mitigation Actions: Key Issues Under Negotiation, August 2009*

The purpose of this paper is to evaluate the substantive results of the Copenhagen Conference, including the status of the negotiations on the key issues under the formal negotiating tracks and the provisions of the Copenhagen Accord, and to draw implications for implementation of actions in developing countries. **It is important to note that the analysis in this paper is based upon the UNFCCC negotiating texts as they stand in February 2010. Discussions of many of the terms used in this paper are still going on within the context of the negotiations; therefore the use of some terms is speculative. Also, the positions of Parties may have changed since this paper was prepared. While the author believes that she have accurately portrayed the positions of Parties, not all the nuances intended by Parties may have been captured.**

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THE OUTCOMES OF COPENHAGEN: THE NEGOTIATIONS & THE ACCORD

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List of Acronyms

AOSIS	Alliance of Small Island States
AWG-KP	Ad-Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol
AWG-LCA	Ad-Hoc Working Group on Long-term Cooperative Action under the Convention
BAP	Bali Action Plan
BAU	Business as Usual
CA	Copenhagen Accord
CDM	Clean Development Mechanism
CMP	Conference of the Parties serving as the Meeting of the Parties
COP	Conference of the Parties
EU	European Union
G-20	Group of Twenty
G-8	Group of Eight
GEF	Global Environment Facility
GHG	Greenhouse Gas
IPCC	Intergovernmental Panel on Climate Change
IPCC FAR	IPCC Fourth Assessment Report
IPRs	Intellectual Property Rights
LDCs	Least Developed Countries
LULUCF	Land Use, Land-Use Change and Forestry
MRV	Measurement, Reporting and Verification
NAMAs	Nationally Appropriate Mitigation Actions
ODA	Official Development Assistance
REDD-plus	Reduced Emissions from Deforestation and Forest Degradation plus Conservation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SIDS	Small Island Developing States
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

1. INTRODUCTION

Over the past two years the international negotiations on climate change have focused on negotiating a comprehensive framework for enhanced action on climate change. These negotiations, progressing along the two tracks, one under the Kyoto Protocol and another under the United Nations Framework Convention on Climate Change (UNFCCC), were expected to deliver an agreed outcome outlining the main elements of the future framework at the UNFCCC climate change conference in Copenhagen in December 2009.

In Copenhagen both negotiating tracks presented unfinished negotiating texts to the Conference of the Parties of the UNFCCC (COP) and to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), which serve as the governing bodies of the Convention and the Kyoto Protocol respectively. Some further work was undertaken and progress achieved in the technical negotiations under the COP, which is reflected in the revised text issued after Copenhagen.¹ However it was not possible to finalise the technical negotiations and to adopt formal decisions.

In a parallel setting in Copenhagen, a group of Heads of States representing the major emitting countries and main negotiating groups negotiated the “Copenhagen Accord”², which outlined the main elements of the future framework and committed a significant amount of finance from developed countries to assist developing countries in combating climate change. The Accord however was not formally adopted at the closing plenary by the COP and CMP, but “taken note of”, which left it at the level of a political declaration rather than a formal decision under the United Nations.

The Copenhagen conference fell short of the high expectations to deliver a UN-level agreement on a future international framework on climate change. However, the results that have been achieved should also not be underestimated. Even though the Copenhagen Accord was

not formally adopted by all Parties, it reflects a political consensus – even if fragile – on the main elements of the future framework among the major emitters and representatives of the main negotiating groups,³ reached at the level of Heads of State – an unprecedented development in international climate change processes to date. Moreover important progress was also made on several issues in the formal technical negotiations under the Convention.

While some uncertainty over how the Copenhagen Accord fits into the multilateral negotiations under the UNFCCC process remains, the negotiations scheduled to reconvene in April 2010 may take into account the guidance provided by the political leaders through the Copenhagen Accord.

The purpose of this paper is to evaluate the substantive results of the Copenhagen conference, including the status of the negotiations on the key issues under the formal negotiating tracks and the provisions of the Copenhagen Accord, and to draw implications for implementation of actions in developing countries.

¹ FCCC/CP/2010/2: Work undertaken by the Conference of the Parties at its fifteenth session on the basis of the report of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.

² http://unfccc.int/files/meetings/cop_15/application/pdf/cop15_cph_auv.pdf

³ There are several negotiating groups in the UNFCCC process including, among others, the Group 77 and China (includes most developing countries), Umbrella Group (includes US, Australia, Canada, Russia, Japan, New Zealand, Ukraine, and Kazakhstan), Alliance of Small Island States (AOSIS), and Least Developed Countries (LDC) group.

2. THE BALI ROAD MAP AND OUTCOMES OF COPENHAGEN

The Bali Road Map: Background

The international negotiations on future action on climate change so far have proceeded along a “two-track” approach: the first track was launched in 2005 and the second in 2007.

The first track deals with the commitments for the industrialised countries (Annex I Parties) under the Kyoto Protocol for the period beyond 2012 when the first period of emission reduction commitments (2008-2012) expires. It deals in particular with emission reduction targets and means of implementation. These negotiations were launched in December 2005 at the first session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 1) in Montreal. The work is being carried out under a specially established subsidiary body – the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP).

The second negotiating track was launched under the Convention two years later in December 2007. The Conference of the Parties at its thirteenth session (COP 13) held in Bali adopted the Bali Action Plan.⁴ It launched “a comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012, in order to reach an agreed outcome and adopt a decision at its fifteenth session in Copenhagen in December 2009”. The Bali Action Plan identified four main building blocks for enhancing action on climate change: mitigation, adaptation, technology and financing, and requested the negotiations to articulate a shared vision for long-term cooperative action, including a long-term global goal for emission reductions. To carry out the work a new subsidiary body was established under the Convention – the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), which was requested to complete its work by Copenhagen.

While each negotiating track has its own clear mandate, there are many linkages between the two processes, in

particular in relation to mitigation. As the AWG-KP is discussing the next round of commitments for industrialised countries that are Parties to the Kyoto Protocol, the AWG-LCA, in addition to other issues, is looking at commitments for developed countries that are not Party to the Kyoto Protocol. Moreover the discussions on mitigation actions by developing countries under the AWG-LCA are politically linked to progress in relation to commitments by developed countries. Similarly the discussions on shared vision and long-term goal for emission reduction in the AWG-LCA are of direct relevance to the debate in the AWG-KP. Both bodies also look at the different tools to reach emission reduction targets and ways to enhance cost-effectiveness of mitigation, including through market-based approaches. In addition, negotiations are underway that are related to the future policy architecture under the two Subsidiary Bodies of the UNFCCC (i.e., negotiations on the methodological issues related to reducing emissions from deforestation and technology transfer, to mention two).

In addition to the Bali Action Plan, the Bali Conference in 2007 adopted a number of other decisions related to the future framework. A package of forward-looking decisions representing both negotiating tracks under the Convention and the Protocol that was adopted at the Bali Conference was labelled as “the Bali Road Map”.⁵ The Bali Road Map launched an intensive two-year process of negotiations on an enhanced future climate change regime, which was to culminate in December 2009 at the climate change conference in Copenhagen.

Negotiations in the AWG-KP and AWG-LCA: main issues and outcomes

The AWG-LCA in its first year of work in 2008 had a rather slow start. The first year was devoted to building mutual confidence among the Parties, planning the work, and clarifying ideas and proposals. At the same time, the AWG-KP in 2008 focused on the analysis of means to reach emission reduction targets and the identification of ways to enhance the effectiveness of the implementation, including flexible mechanisms; land use, land-use change

⁴ Decision 1/CP.13.

⁵ For a detailed analysis, see ‘The Bali Road Map: Key Issues Under Negotiation’, UNDP Environment & Energy Group, UNDP 2008.

and forestry (LULUCF); a basket of greenhouse gases (GHGs); and covered sectors.

In 2009 the AWG-LCA and the AWG-KP held five negotiating sessions prior to the Copenhagen conference. Discussions on the related issues also took place in various other formal and informal settings, including the Greenland Dialogue, the Major Economies' Forum on Energy and Climate Change, the Group of Eight (G-8), the Group of Twenty (G-20), and at global and regional climate change summits.

Negotiations under the AWG-KP made little progress in 2009. Developing countries urged Annex I Parties to commit to ambitious emission reduction targets, while developed countries argued that making progress on aggregate and individual emission reduction targets and in general effectively responding to climate change required the involvement of the United States and major developing countries. Moreover, there was no agreement over the legal structure of the future framework and on the continuation of the Kyoto Protocol beyond 2012. Developed countries saw a single new agreement coming out of both negotiating tracks (AWG-KP and AWG-LCA) as an outcome, while developing countries wanted to see the Kyoto Protocol amended and continued post-2012.

The AWG-LCA in 2009 developed a very complex negotiating text, nearly 200 pages long, presenting various proposals and containing numerous areas of disagreement. While some progress was made on adaptation, reducing deforestation and forest degradation in developing countries plus conservation (REDD-plus) and technology, negotiations on finance and mitigation did not move much forward. Overall, by the time of the Copenhagen conference, the negotiations in the two AWGs had achieved less than what was needed for an ambitious outcome.

The Copenhagen Conference

The expectations for Copenhagen had risen very high, with a large number of high-level international meetings

on climate change preceding the conference in the last quarter of 2009 – including the Alliance of Small Island States (AOSIS) Climate Change Summit, the Secretary-General's Summit on Climate Change, the UN General Assembly, and others. The Copenhagen conference was attended by over 45,000 participants, including observers and negotiators, and 119 Heads of State. According to the reports by the media, this conference was the largest one in the history of the United Nations, and certainly the largest political event ever focused on climate change.

However, despite this high level of political attention to the issue, it was becoming already clear before the conference that reaching a comprehensive post-2012 agreement in Copenhagen would not be possible. While some progress had been made at the technical level in the various negotiating tracks under the Bali Road Map during 2008-9, high-level political guidance was required to resolve the main crunch issues – in particular, commitments by industrialised countries; mitigation actions by developing countries; financing and technology transfer; and measurement, reporting and verification (MRV) of actions and of support.

In Copenhagen both the AWG-KP and AWG-LCA presented the outcomes of their work as was requested by their mandates.⁶ The AWG-KP forwarded to the CMP 5 for its further consideration a set of draft decisions, including proposed draft amendments to the Kyoto Protocol, all of which still contained options and “brackets” in the proposed text indicating a considerable number of unresolved issues. Similarly, the AWG-LCA presented to the COP 15 a set of unfinished draft decisions encompassing all building blocks of the Bali Action Plan. The COP and CMP launched contact groups in Copenhagen to advance the negotiations on the unresolved issues. While it was possible to make further progress on some issues in an informal setting, the negotiations in CMP and COP stalled due to disagreement over procedure and organisation of work.

As a result, no substantive decisions were finalised for adoption on the work done by the AWG-LCA and

⁶ For the report of the AWG-KP see FCCC/KP/AWG/2009/17. For the AWG-LCA report see FCCC/AWG/LCA/2009/17.

⁷ FCCC/CP/2010/2: Work undertaken by the Conference of the Parties at its fifteenth session on the basis of the report of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.

AWG-KP in the contact groups under the COP and CMP respectively. The progress made by the COP in the drafting groups in Copenhagen was reflected in the document issued by the UNFCCC Secretariat after the conference,⁷ which is referred to in this document as “the COP text”.

At the same time, during the last two days in Copenhagen, a group of Heads of State representing the major GHG emitters and the main negotiating groups under the UNFCCC negotiated a Copenhagen Accord in a parallel informal setting – a document outlining a political compromise on the main elements of enhanced action on climate change by those countries. The COP neither authorised the formation of this parallel negotiation process, nor was it informed about the course of these negotiations as they progressed. The Copenhagen Accord was presented to all Parties to the Convention with an intention to further consult and gain support for its adoption through decisions by the COP and CMP. This effort failed due to opposition from several countries. As a result, both COP 15 and CMP 5 “took note” of the Copenhagen Accord in their final decisions. Parties were asked to formally communicate their association with the document to the UNFCCC Secretariat by 31 January 2010. It was also decided to extend the mandates of the AWG-LCA and AWG-KP by one more year and the bodies were asked to complete their work for adoption of the outcomes at the next climate change talks in December 2010 in Mexico.⁸ The AWG-LCA was asked in its future work to take into account the results of the work carried out by the COP in Copenhagen on the basis of the texts forwarded by the AWG-LCA in its report. The progress made by the COP, as noted earlier, is captured in the “COP text”.⁹

The Copenhagen Accord

The Copenhagen Accord was not formally adopted as a decision under the UNFCCC but rather noted by the Conference of the Parties (both COP and CMP) as a political declaration. Parties were asked to communicate to the UNFCCC Secretariat by 31 January 2010 their

support of the agreement through written submissions. Countries were further asked to submit by the same date their pledges for emission reduction targets (for industrialised countries) and for mitigation actions (for developing countries) for the period up to 2020, which would then be reflected in the Appendices to the Accord.

In the Accord, countries commit to keeping global temperature rise below 2°C through deep cuts in GHG emissions, achieving peaking of global emissions as soon as possible, while noting that emissions in developing countries will take longer to reach their peak. Annex I Parties commit to implement individually or jointly quantified economy-wide emissions targets for 2020. Non-Annex I Parties will implement nationally appropriate mitigation actions (NAMAs). Least Developed Countries (LDCs) and Small Island Developing States (SIDS) may undertake these actions voluntarily and on the basis of external financial support. Mitigation actions taken by non-Annex I Parties will be subject to domestic MRV procedures and reported on every two years through National Communications. However, internationally supported NAMAs will be subject to international MRV procedures. Furthermore the Accord makes a reference to the Kyoto Protocol, requesting Parties to the Kyoto Protocol to “further strengthen the emission reductions initiated by the Kyoto Protocol” and notes the important role of markets in future climate change policy.

The Accord further notes that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-emission development strategy is indispensable to sustainable development.

The Accord also calls for the immediate establishment of a mechanism including so called REDD-plus, aimed at reducing deforestation, forest degradation and promoting forest conservation, to enable the mobilisation of financial resources from developed countries. New and additional resources from developed countries in the amount of “approaching USD 30 billion” for the period 2010-12, with balanced allocation between adaptation and mitiga-

⁸ For a detailed account of the negotiations during the Copenhagen Climate Change Talks see *Earth Negotiations Bulletin*, Summary of the Copenhagen Climate Change Conference: 7-19 December 2009, Vol. 12 No. 459, Tuesday, 22 December 2009. Online at <http://www.iisd.ca/climate/cop15/>

⁹ FCCC/CP/2010/2: Work undertaken by the Conference of the Parties at its fifteenth session on the basis of the report of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention.

tion, is pledged, with USD 100 billion per annum envisaged from 2020 onward. Funding for adaptation will be prioritised for the most vulnerable developing countries, such as LDCs, SIDS, and Africa.

Even though the Copenhagen Accord does not have a legal standing within the UNFCCC process, it does represent a political consensus, albeit a fragile one, on the main elements of the future framework among the major emitters and representatives of the negotiating groups jointly accounting for more than 80% of the world's GHG emissions. It is being considered and supported by many Parties. As of 24 February 2010, of the 193 Parties to the Convention more than 100 countries (including the 27-member European Union) had officially communicated their support to, or association with, the Copenhagen Accord through written submissions,¹⁰ and many of these countries had further provided information on the mitigation commitments or actions that they would undertake.¹¹

The subsequent chapters review the main issues under negotiation under each of the four building blocks of the Bali Action Plan (mitigation, adaptation, financing, and technology) and the shared vision and analyses the status as at the end of the Copenhagen conference, in the context of implementation of actions in developing countries.

¹⁰ See the UNFCCC website at: <http://unfccc.int/home/items/5262.php>

¹¹ At the time of writing India and China have indicated their planned national mitigation actions in a written submission to the Copenhagen Accord, but have not explicitly stated whether they would like to be formally associated with the Accord.

3. SHARED VISION

Main issues under the Bali Action Plan and in the AWG-LCA

The first component of the Bali Action Plan concerns a shared vision for long-term cooperative action, including a long-term global goal for emission reductions, to achieve the ultimate objective of the Convention¹². This shared vision should provide a context for global action, outline the key principles on which action should be based, and set the objectives, including a global goal for emission reductions.

In the course of the negotiations on shared vision in 2008-9, the main discussions centered on the following key issues:

- The scope of a shared vision
- The basis for, and the level of, the long-term goal, including the following options:
 - o Temperature increase goal;
 - o Global emission reduction goal;
 - o Emission reduction goals for developed countries;
 - o GHG concentration limit in the atmosphere;
- The peaking year for global emissions;
- Provision for assessment of the effectiveness of global action.

While the negotiations on shared vision mostly happened in the AWG-LCA, some issues were also discussed in the AWG-KP, e.g. the emission reduction goals for developed countries. In the negotiations up to Copenhagen, the scope of the shared vision was widely agreed to be broad; providing a framework for action on mitigation, adaptation and provision of financial and technological support and capacity-building; and giving equal weight to action on adaptation and mitigation.

Shared Vision in the Copenhagen Accord

The Copenhagen Accord does not specifically use the term “shared vision”. However, a large part of the document addresses precisely the issues that Parties have been negotiating. In the Accord, countries commit to keep the global temperature rise below 2°C through deep cuts in GHG emissions, achieving peaking of global emissions as soon as possible, while noting that emissions in developing countries would take longer to reach their peak.

Progress achieved in Copenhagen

The contact group on long-term cooperative action under the COP established a drafting group to undertake work on the shared vision. The group made some progress, clarifying most of the principles for the preamble, with the exception of the issue of the legal nature of the outcome and of the commitments by developed countries. At the same time, most of the fundamental issues related to shared vision described above – such as the temperature goal, long-term global goal, peak year, and emission reduction goals for the groups of countries – remained open. In the COP text, they are still presented as options (see table 1).

The Copenhagen Accord addressed some of these outstanding issues. In particular it gave a strong message of political commitment to address the challenge of climate change. It also provided guidance on the temperature increase and on the assessment of implementation.

Outstanding issues

The Accord left open the question of a global quantitative goal for emission reductions. While the data by the Intergovernmental Panel on Climate Change (IPCC) is referred to, the range is not formally set. Further, the peaking year of emissions has not been specified, leaving it at the less ambitious language of “as soon as possible”.

Table 1: Shared vision and long-term goal: COP text vs. Copenhagen Accord

ISSUE	PROPOSALS IN THE COP TEXT	COPENHAGEN ACCORD
Long-term goal for emission reduction	<ul style="list-style-type: none"> - based on the best available scientific knowledge - supported by medium-term goals for emission reductions - takes into account historical responsibilities and an equitable share in the atmospheric space 	<ul style="list-style-type: none"> - climate change is one of the greatest challenges of our time - consistent with science - on the basis of equity - principle of common but differentiated responsibilities and respective capabilities - social and economic development and poverty eradication are the first and overriding priorities of developing countries - low-emission development strategy is indispensable to sustainable development
Temperature goal	Not to exceed 2°C or 1.5°C or 1°C	Keep below 2°C. Assessment of implementation of the Accord by 2015, including in relation to temperature rises of 1.5°C
Global (Collective) emission reduction goal	At least 50 or 85 or 95% below 1990 levels by 2050	No concrete figure Deep cuts in global emissions are required, reference to the IPCC Fourth Assessment Report (FAR) for holding the temperature increase below 2°C
Emission reduction goals for developed countries	Various ranges: 75-95% or more than 95% below 1990 levels by 2050 or more than 100% by 2040	Not addressed
The peaking year for global emissions	In 2015 or as soon as possible	As soon as possible, recognising that the time frame for peaking will be longer in developing countries
Assessment of implementation	In 2013/2014-2015/2016 and every 4-5 years thereafter	In 2015

Implications for developing countries

Provisions of the Copenhagen Accord related to shared vision generally fall on the lower end of ambition among the options discussed in the AWG-LCA. Some developing countries have been particularly disappointed with the 2°C goal, as it may be associated with a high level of adverse climate change impacts for their countries. The provision for a review of the adequacy of this goal in 2015, including in relation to 1.5°C, may address some of these concerns.

Although the Copenhagen Accord does not mention the global reduction goal explicitly, the reference to the IPCC and the 2°C goal implicitly implies that a reduction in the order of 85% to 50% in global CO₂ emissions level with

respect to emissions in 2000 needs to be achieved by 2050 (according to the IPCC FAR), but a more precise goal may need to be clarified in the negotiations. Similarly, in regard to the joint emission reduction target for developed countries, the approach taken in the Copenhagen Accord suggests that the individual pledges by developed countries would simply be added up to arrive at the aggregate goal. However this approach generally has not been supported by developing countries.

Taking the Copenhagen Accord as a general guidance to the AWG-LCA negotiations could allow resolution of some issues related to shared vision as discussed above, however the issue of global emission reductions, and potentially a joint emission reduction target for developed countries as a group, would still need to be determined.

4. ENHANCED ACTION ON MITIGATION AND ITS ASSOCIATED MEANS OF IMPLEMENTATION

Mitigation of climate change, encompassing the reduction of GHG emissions and enhancement of GHG sinks, is at the core of the Bali Road Map. As noted earlier, different aspects of mitigation are being addressed in both the AWG-KP and AWG-LCA and also by other subsidiary bodies to the Convention.

Under the Bali Action Plan, enhanced action on mitigation should be considered along seven main themes:

- commitments or actions by all developed country Parties;
- NAMAs by developing country Parties;
- approaches and incentives on issues relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus);
- cooperative sectoral approaches and sector-specific actions;
- various approaches, including markets, to enhance the cost-effectiveness of, and to promote, mitigation actions;
- economic and social consequences of response measures; and
- ways to strengthen the catalytic role of the Convention;¹⁴

The negotiations under the AWG-KP concern commitments by developed country Parties.¹⁵

4.1 Commitments and actions by developed countries

Main issues under the Bali Action Plan and in the AWG-LCA and AWG-KP

Developed countries have committed under the Convention to take the lead in combating climate change. Therefore, their strong commitment to ambitious emission reduction targets is imperative for effective global mitigation action. The central questions in the debate on these

issues have been: the form of actions and commitments (i.e., quantitative economy-wide targets or some other form); their legal nature (i.e., legally binding or not); and the level of the targets (including both individual and collective targets for developed countries). Related issues include the means of implementation, in particular design of the market-based mechanisms and complementarity limits; rules for land-use and land-use change accounting; ensuring comparability of efforts and establishment of a robust compliance system; and determining the GHGs to be covered. In addition, the system for MRV of mitigation actions and financial support are among the central issues under negotiation.

The AWG-KP developed a set of proposals for amendments to the Kyoto Protocol; in particular its Annex B that contains emission targets for Annex I countries, and other relevant Articles of the Protocol dealing with the means of implementation. The COP text is much shorter and focuses on the level of individual and collective emission reduction targets. Table 2 below summarises the main options proposed in the AWG-KP text and the COP text on the main issues pertaining to mitigation actions by developed countries.

Some Annex I Parties made pledges for their national emission reductions targets prior to or during the Copenhagen conference. Many of these pledges were in the form of ranges, indicating the lower and upper limits of emission reductions that Parties were prepared to undertake *provided* other countries would undertake comparable levels of effort. Some proposals also included the level of targets that were to be met through domestic efforts only and then overall targets that could be met with the use of the flexibility mechanisms.

¹³ For the precise list of sub-elements see Decision 1/CP.13.

¹⁴ For a detailed analysis of the issues under negotiation on mitigation see 'Climate Change Mitigation Negotiations, With an Emphasis on Options for Developing Countries' by Harald Winkler, Energy Research Centre University Of Cape Town, pp. 23-47 in 'The Bali Road Map: Key Issues Under Negotiation', UNDP Environment & Energy Group, UNDP 2008.

Table 2: Mitigation actions and commitments by developed countries: COP and AWG-KP texts vs. Copenhagen Accord

ISSUE	PROPOSALS IN THE AWG-KP AND COP TEXTS	COPENHAGEN ACCORD
Type of action/ commitment	- Range between targets/objectives/commitments - comparability of effort - historic responsibility	- Quantified economy-wide emissions targets for 2020 - Parties to the Kyoto Protocol to further strengthen the emissions reductions initiated by the Protocol
Commitment period	2013-2017 or 2013-2020	2020
Joint reduction targets by Annex I countries (AWG-LCA text)	- 25–40% / 30, 40, 45, 49 % below 1990/2005 levels by 2017/2020 - X% by 2050 from 1990 level ¹⁶ - 75–95% or more below 1990 levels by 2050 or more than 100% by 2040 ¹⁷	No overall numerical target determined, but suggests that it will be determined by the aggregation of individual emission reduction pledges (bottom-up approach).
Joint reduction targets by Annex I countries (AWG-KP text)	- X/49/45/33/30/15% below 1990 levels by 2017 or 2020 - 80/95% or more below 1990 by 2050	No numerical target determined
Individual reduction targets by Annex I countries	COP text makes reference to an Annex to be elaborated. AWG-KP text contains several proposals for Annex B, containing individual numbers that vary greatly from one proposal to other	No numerical targets determined in Copenhagen, but Parties were to communicate their emission reduction pledges to be recorded in the Appendix I to the Accord. Most pledges still contained the ranges presented before Copenhagen

Mitigation actions by developed countries in the Copenhagen Accord

The Copenhagen Accord provides only limited guidance on mitigation actions by developed countries. It determines that such actions should be based on quantified economy-wide emissions targets and determines the length of the commitment period to be up to 2020. However, the Accord does not provide any guidance on the joint mid- or long-term reduction targets. Individual emission reduction pledges by Annex I Parties will be recorded in

Appendix I to the Accord, and Parties were requested to communicate their pledges by 31 January 2010. According to analysis by the World Resources Institute, the current pledges, when added together, could represent a 12% to 19% reduction of Annex I emissions below 1990 levels, depending on the assumptions made. However, they still fall far short of the range of emission reductions of 25% to 40% that, according to the IPCC, is required to keep in line with the scenario of stabilising GHG concentrations at 450ppm and keeping with a 2°C goal.¹⁸

¹⁵ In the section on mitigation.

¹⁶ In the section on shared vision.

¹⁷ Comparability of Annex I Emission Reduction Pledges, by Kelly Levin and Rob Bradley, Working Paper February 2010, WRI on the web at http://pdf.wri.org/working_papers/comparability_of_annex1_emission_reduction_pledges_2010-02-01.pdf

Table 3: Emission targets pledged by selected Annex I countries in their submissions to the Copenhagen Accord (as at 8 February 2009)

	EMISSION REDUCTION BY 2020	BASE YEAR	REDUCTION TO 1990 LEVELS ¹⁸
Australia	-5% up to -15/25%	2000	- 3.89 - 24.1%
Belarus	- 5 -10%	1990	
Canada	- 17%	2005	+ 0.25%
Croatia	- 5%	1990	
EU-27	- 20 -30%	1990	
Iceland	- 30%	1990	
Kazakhstan	- 15%	1992	
Japan	- 25%	1990	
Liechtenstein	- 20 - 30%	1990	
New Zealand	- 10 - 20 %	1990	
Norway -	- 30 - 40%	1990	
Russian Fed.	- 15 - 25%	1990	
United States	Around - 17%, the final target to be reported in light of enacted legislation The pathway in pending legislation is a -30% by 2025 and -42% by 2030, and -83% by 2050	2005	-3.67%

Progress achieved in Copenhagen

The emission reduction targets for Annex I countries, even with ranges, that are to be recorded in the Appendix to the Copenhagen Accord provide a good basis for advancing the negotiations under the UNFCCC.

Outstanding issues

As stated previously, one of the main issues that still needs to be resolved under the Copenhagen Accord is the joint emission reduction target for Annex I countries. Secondly, the legal nature of the individual emission targets is unclear: while national pledges will be recorded in the Appendix, the process for ensuring implementation of emission targets (compliance) is not determined. This issue is also related to the overall type and legal status of an agreement. Would the Kyoto Protocol be amended with new numbers for Annex I countries, coupled with a new

legally binding agreement under the Convention? Or would the approach of voluntary emission pledges, as in the case of the Copenhagen Accord, be the main basis for determining actions by developed countries? And, if the latter is the case, how to ensure that voluntary emission pledges add up to the required stringent level of reductions needed?

Implications for developing countries

While the emission reduction targets by developed countries may seem to have only indirect impact on implementation of actions in developing countries (i.e., through the level of demand for Clean Development Mechanism (CDM) and eventually for NAMAs supported through markets should that be decided), the level of ambition of the targets and the degree of compliance will have significant implications for changes in climate and the associated impacts in developing countries.

¹⁸ Calculations by the US Climate Action Network: <http://www.usclimatenetwork.org/policy/copenhagen-accord-commitments> (accessed on 10 February 2009).

4.2. Mitigation actions by developing countries

Main issues under the Bali Action Plan and AWG-LCA

The Bali Action Plan determined that enhanced action on mitigation should also include NAMAs by developing country Parties in the context of sustainable development. These NAMAs would be supported and enabled by technology, financing and capacity-building, in a measurable, reportable, and verifiable manner (paragraph 1.b (ii) of the Bali Action Plan).

The negotiations on mitigation actions by developing countries in the AWG-LCA have been very difficult. While the negotiators identified the main issues to be addressed and presented proposals on some of them, limiting the options required important political choices to be made – which was nearly impossible until progress was made on other issues (in particular, emission targets of developed countries, finance, technology and capacity building).

Table 4: Mitigation actions by developing countries: COP text vs. Copenhagen Accord

ISSUE	PROPOSALS IN THE COP TEXT	COPENHAGEN ACCORD
The nature and scope of NAMA	Various proposals, including: <ul style="list-style-type: none"> - voluntary actions - substantial deviation in emissions/ 15–30% by 2020 below business-as-usual - GHG emission intensity target 	<ul style="list-style-type: none"> - Non-Annex I countries will undertake mitigation actions consistent with Article 4.1 and Article 4.7 of the Convention and in the context of sustainable development - LDCs and SIDS may undertake actions voluntarily and on the basis of support
Self financed or supported	<ul style="list-style-type: none"> - Autonomous/self-financed - Supported 	Provisions for both self financed and supported actions
Domestic or international MRV of actions	- Domestic and/or international MRV	<ul style="list-style-type: none"> - Domestic MRV for actions that are not supported, with the result to be reported through National Communications - Supported NAMAs will be subject to international MRV
Mechanisms for MRV	<ul style="list-style-type: none"> - International review through consultative process - Subject to a review process under the Convention - Building on an existing expert review system 	<ul style="list-style-type: none"> - Actions to be communicated through National Communications every 2 years - On the basis of guidelines to be adopted by the COP, with provisions for international consultations and analysis under clearly defined guidelines ensuring that national sovereignty is respected
Recording of NAMA and matching actions with support	<ul style="list-style-type: none"> - Coordinating mechanism - Through National Communications and inventories - Mechanism to Record Mitigation Actions and Facilitate Matching of Support 	<p>NAMAs seeking international support will be recorded in a registry along with relevant technology, finance and capacity building support</p> <p>Supported NAMAs are subject to international MRV</p>
Frequency of reporting on NAMAs	<ul style="list-style-type: none"> - National Communications and inventories every 1-5 or X years - Inventories annually starting in 2011 	National Communications every 2 years

Another key issue included the nature and scope of NAMAs, including, among others:

- whether NAMAs are voluntary and what types of actions could be considered as NAMAs;
- should NAMAs be self-financed or supported through international finance, technology and capacity-building, or should both types (self-financed and supported) be envisaged;
- should actions be subject to domestic or international MRV; and
- how should MRV actions be recorded and matched with financial support.

Mitigation actions by developing countries in the Copenhagen Accord

According to the Copenhagen Accord, non-Annex I Parties to the Convention will implement mitigation actions. This formulation is stronger than some of the options proposed in the AWG-LCA negotiations and in the COP text, where the voluntary nature of actions was specifically emphasised. LDCs and SIDS are given special consideration, in that they may undertake actions voluntarily and on the basis of external support.

Table 5: Mitigation actions announced by selected non-Annex I countries in their submissions to the Copenhagen Accord (as at 24 February 2010)¹⁹

COUNTRY	NAMA BY 2020	BASELINE	SPECIFIC ACTIONS
Brazil	- 36.1 – 38.9% reduction in emissions below BAU	BAU	- Reduction in Amazon and Cerrado deforestation and restoration of grazing land - Increase use of biofuels, hydro power and alternative energy, no till farming, energy efficiency
China	40 – 45% reduction in carbon intensity of GDP	2005	- Increase the share of non-fossil fuels in primary energy consumption to around 15% - Increase forest coverage by 40 million hectares and forest stock volume by 1.3 billion cubic meters; all by 2020
India	25 – 30% reduction in carbon intensity of GDP	2005	- Actions are voluntary in nature and will not have a legally binding character
Indonesia	26% emission reduction	Not specified	Focus areas: peat land, forestry, agriculture, industry, waste, energy and transportation
Mexico	30% reduction in emissions below BAU	BAU	Total annual reduction of 51 million tons of CO ₂ e by 2012
South Africa	- 34% reduction in emissions below BAU	BAU	- 42% reduction below BAU by 2025 - Implementation will depend upon the provision of financial, technological support and capacity building by developed countries.
Republic of Moldova	-25% by 2020	1990	Through implementation of global economic mechanisms focused on climate change mitigation
Republic of Korea	- 30% reduction in emissions below BAU	BAU	
Maldives	Achieve carbon neutrality as a country by 2020	n/a	- The government is undertaking detailed work on implementation of this action - The submission of the present mitigation action is voluntary and unconditional.
Costa Rica	Implement long-term economy-wide transformational effort to achieve carbon neutrality	BAU	Significant deviation by 2021
Ghana	Range of actions in various sectors with no numerical reference to emission reduction	n/a	Range of measures identified in electricity, transport, residential, industrial sectors, as well as related to liquid and gaseous fuels, metal production, crop production, forestry, solid waste disposal and waste handling.

¹⁹ For full list of submissions and submissions by individual countries see UNFCCC website at <http://unfccc.int/home/items/5265.php>

It is also important to note that while the Bali Action Plan referred to “developed” and “developing countries”, the Accord is back to the traditional differentiation of countries in relation to mitigation that has been used under the Convention: Annex I and non-Annex I. Countries were asked to make submissions to the UNFCCC Secretariat by 31 January 2010 indicating mitigation actions that they plan to undertake. The mitigation actions pledged by non-Annex I countries in their submissions will be recorded in the Appendix II of the Copenhagen Accord. Parties will also have an opportunity to submit pledges for NAMAs through their National Communications and through direct communication to the UNFCCC Secretariat in the future.

As of 24 February 2010, many developing countries, including the major emitters, had submitted their planned mitigation actions to be recorded in the Appendix. Most of the actions are expressed in terms of reduction of carbon intensity of the economy or in terms of reduction of GHG emissions below the business-as-usual. Many countries submitted a list of NAMAs which were not expressed in expected GHG reductions. Some countries also indicated specific measures or sectors that would take priority. In some cases, mostly in the submissions by LDCs, countries indicated that implementation of actions would require international support in terms of finance, capacity building and technology. Many submissions have emphasised that the identified NAMAs are preliminary and further analysis would be required. Table 5 describes some examples of mitigation actions planned by non-Annex I countries.

The pledges made by developing countries on national mitigation actions that have been registered in the Accord represent a significant step forward in international climate change policy.

Progress achieved in Copenhagen

One of the main stumbling blocks in the negotiations for developing countries, prior to and in Copenhagen, was the provisions on MRV of actions. While it was not possible to reach agreement on this point in the AWG-LCA, the Copenhagen Accord set to resolve this issue by requiring that NAMAs implemented unilaterally without external support be subject to national MRV and reported through the National Communications every two years. However,

some provisions would be made for international consultations and analysis under clearly defined guidelines to ensure that national sovereignty is respected. Mitigation actions for which international support is required would be recorded in a registry, which would also record the relevant technology, finance and capacity building support. Such supported actions will have to go through an international MRV process. The guidelines for MRV would be developed and adopted by the COP.

Outstanding issues

The Copenhagen Accord thus addressed most of the fundamental political issues in relation to national mitigation actions by developing countries, including providing general guidance on the nature of actions, MRV and creation of a registry for matching NAMAs with support. The agreement reached among the major players on the distinction between supported and non-supported NAMA in terms of MRV could therefore potentially allow unblocking of the negotiations on mitigation in the AWG-LCA moving forward. A number of details still remain unresolved, however. It is not specified what types of NAMAs would be eligible for international support. Institutional issues, in particular related to the governance of the system, such as decision-making on the allocation of support and criteria and methodological basis for MRV, will be at the core of future discussions.

The Copenhagen conference also did not resolve the issue of whether NAMAs should be eligible for crediting in the carbon market. Some countries have proposed that emission reductions (or part of thereof) achieved under NAMAs should generate carbon credits in similar manner as is done under the Clean Development Mechanism or under the Joint Implementation currently. Others believed that NAMA are distinctly different and represent developing country's own mitigation action, which should be eligible for public finance, but not be part of any emission offsetting mechanism. While the COP and the AWG-KP texts still contain proposals to this effect, the Accord does not mention this issue. A related issue is the treatment of CDM projects in countries and sectors that fall under NAMAs, in particular in the case of supported actions. This issue could be resolved through transparent accounting and recording of emissions and carbon credit transfer to avoid double counting.

Implications for developing countries

Many developing countries have identified mitigation actions that they plan to undertake, with or without international support. Even given the lack of formal status of the Copenhagen Accord within the Convention, it is a document that both commits new financing from developed countries and clearly identifies mitigation actions by developing countries as one of the areas for this financing to be used. Therefore, financial institutions used to channel the fast-start finance could use the provisions of the Accord and the content of the Appendix II as the guidance for providing support to mitigation actions in developing countries on the interim basis, until a formal agreement is adopted under the UNFCCC.

As noted earlier, the Copenhagen Accord recognises the importance of low-carbon development strategies, however it does not make an explicit direct link between such strategies and implementation of NAMAs. At the same time, developing countries may need to develop national mitigation or low-carbon development strategies to ensure effective implementation of their planned NAMAs and may require assistance from the international institutions in this respect.

Those developing countries that have not yet been able to determine their potential NAMAs would need to undertake an assessment at the national level. Furthermore, many developing countries explicitly stated in their submissions on the Copenhagen Accord that further elaboration of NAMAs and evaluation of emission reductions associated with NAMAs that they had communicated would be required. That will be an additional area where financial and technical support and capacity building will be required.

Implementation of international MRV guidelines will require significant capacity-building in developing countries. These efforts could build on the current activities in support of development of National Communications.

4.3 REDD-plus

Deforestation and forest degradation, through agricultural expansion, conversion to pastureland, infrastructure development, destructive logging, fires etc., account for nearly 20% of global GHG emissions – more than the

entire global transportation sector and second only to the energy sector. However these emissions are not adequately addressed in the current regulatory framework. Parties have been considering approaches and incentives on issues relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries. These negotiations are usually referred to as “REDD-plus”.

REDD-plus activities relate to mitigation actions by developing countries in a specific sector. This topic was being negotiated in a separate group under the AWG-LCA, as it was recognised as a priority for a future framework on climate change.

The negotiations have focused primarily on provision of positive incentives to promote REDD-plus activities and, in particular, whether these activities should be financed privately (i.e., with the use of carbon markets) or publicly. In addition, measures for dealing with a number of methodological issues, such as measuring emission reductions, were agreed in a decision by the Subsidiary Body for Scientific and Technological Advice (SBSTA).

Progress achieved in Copenhagen

REDD-plus is one of the few issues on which the AWG-LCA and subsequently the COP in Copenhagen made significant progress. The COP text prepared in a drafting group in Copenhagen, on the basis of the output of the AWG-LCA, contains a limited number of brackets and could be finalised rather quickly to make the REDD-plus mechanism operational. However, while the text advanced in Copenhagen, it has not yet been adopted.

The text identified a long set of principles on which implementation of REDD-plus activities should be based. Some of the most important principles for developing countries, among others, require that implementation of activities should be country-driven; undertaken in accordance with national circumstances and capabilities of the country and respect sovereignty; and be consistent with national sustainable development needs and goals.

The text further suggested that developing countries contribute to mitigation actions in the forest sector by

undertaking the following activities:

- Reducing emissions from deforestation;
- Reducing emissions from forest degradation;
- Conservation of forest carbon stocks;
- Sustainable management of forest; and
- Enhancement of forest carbon stocks.

The draft text also suggested that countries intending to implement REDD-plus activities develop a national forest reference emission level; a robust and transparent national forest monitoring system for the monitoring and reporting of the activities; and a national strategy or action plan – potentially as part of their low-carbon emission strategies. The latter issue still remains contentious in the negotiations and was not resolved in Copenhagen, including how such strategies would relate to NAMAs.

The Copenhagen Accord also recognised the crucial role of reducing emission from deforestation and forest degradation and the need to enhance removals of GHGs by forests. Through the Accord, Parties agreed on the need to provide positive incentives through the immediate establishment of a mechanism including REDD-plus to mobilise financial resources from developed countries. In the section dealing with financing, the Accord also specifically identified REDD-plus as one of the areas for which support would be scaled-up.

Implications for developing countries

The draft text on REDD-plus prepared under the COP gives more clarity to developing countries and development agencies on what is likely to be necessary for developing countries to participate in the mechanism. Furthermore, the agreement in the Copenhagen Accord to launch a REDD-plus mechanism as soon as possible potentially gives the issue a higher political status and reaffirms the commitment of developed countries to provide support to its implementation.

To prepare for implementation, it will be important for countries to develop the national strategies described above and to carry out work on determining national reference levels and monitoring systems. The challenge in launching

this work at this point will be to ensure sufficient “readiness” funds are available and can be deployed quickly, using existing REDD-plus readiness initiatives (USD 3.5 billion has already been pledged).

4.4. Other topics under action on mitigation

There are other topics under the Bali Action Plan that have been discussed in the AWG-LCA negotiations on mitigation – namely, cooperative sectoral approaches; approaches to enhance cost effectiveness of mitigation; and economic and social consequences of response measures. Not much progress was made on these topics in Copenhagen.

The COP text on **sectoral approaches**²⁰ still contains many brackets, while the Copenhagen Accord does not mention sectoral approaches or specific sectors apart from REDD-plus. At the same time, a drafting group under the COP made good progress on a draft decision on cooperative sectoral approaches and sector-specific actions in agriculture. If finalised and adopted, this decision would promote cooperation among countries on the research, development and transfer of technologies, practices and processes that control, reduce, or prevent GHG emissions in the agricultural sector. The decision would also request SBSTA to launch a work programme on agriculture.

The latest text on **various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions**, prepared in the drafting group under the COP, makes a distinction between non-market and market approaches. In terms of non-market approaches, the draft text urges Parties to pursue the adoption of appropriate measures to progressively reduce the production and consumption of hydrofluorocarbons under the Montreal Protocol. It also calls for establishment of a work programme under SBSTA on non-market approaches. The part of the text on market approaches is more controversial and still contains a number of options, ranging from no decision on the topic to establishing new market-based mechanisms and requesting

²⁰ There is no accepted definition of sectoral approaches in the negotiations and this term for some time meant different things to different groups of Parties. The Bali Action Plan in the context of enhancing actions on mitigation requires Parties to consider cooperative sectoral approaches and sector-specific actions, in order to enhance implementation of Article 4, paragraph 1(c), of the Convention.

SBSTA to develop appropriate modalities. The Copenhagen Accord states that various approaches would be pursued, including opportunities to use markets. Therefore, the use and design of new market-based approaches in a future framework remains an unresolved issue.

In relation to the **economic and social consequences of response measures**,²¹ the text prepared by the COP drafting group still contains a number of options, touching upon the issues of: taking into account the impact of response measure in implementing mitigation; unilateral measures, including fiscal and non-fiscal border trade measures against goods and services from developing countries on grounds related to climate change; and proposals to establish a forum to undertake activities that include identifying and addressing negative economic and social consequences of response measures; sharing information, promoting, and cooperating on these issues; and exploring ways to minimise negative consequences, in particular in developing countries. The Copenhagen Accord in turn recognised the importance of addressing potential impacts of response measures in the context of a comprehensive adaptation programme.

²⁰ The Convention requires that Parties in the implementation of mitigation measures take into consideration the specific needs and concerns of developing countries arising from the adverse effects of climate change and/or the impact of the implementation of response measures. The Kyoto Protocol further commits Parties to strive to minimise adverse economic, social and environmental impacts on other Parties, especially developing country Parties. Response measures are being addressed in the context of the Bali Road Map process, both in the AWG-KP and AWG-LCA.

5. ADAPTATION

Despite current mitigation efforts, a certain degree of climate change is inevitable. Therefore adaptation to the impacts of climate change needs to be an integral component of the architecture of a future climate change regime, having equal importance to mitigation efforts. In recent years, this need has been widely recognised in the international climate change process. The Bali Action Plan identified enhanced action on adaptation – and the supporting finance, technology, and capacity building needs – as one of the four main building blocks.²²

The approximate costs of adaptation are high by all estimates. The World Bank (2006) estimated annual adaptation needs at USD 10-40 billion in 2030, Oxfam International (2007) at more than USD 50 billion annually, and the UNDP 2007/2008 Human Development Report projects that annual adaptation investment needs will be around USD 86 billion annually by 2015. The UNFCCC (2007) estimated that the total funding needed for adaptation by 2030 could amount to USD 49-171 billion per annum globally, of which USD 27-66 billion would be required for developing countries. However a more recent study by M. Parry et al (IIED, 2009) concluded that the UNFCCC estimate of investment needs was probably under-estimated by a factor of between 2 and 3 for the included sectors.

Most of the existing international financing instruments for adaptation are replenished through ODA-type voluntary contributions. The Adaptation Fund under the Kyoto Protocol uses an innovative approach of generating resources through a levy on the transactions in the carbon market under the CDM. Under this mechanism, finance is raised from the private sector and collected and disbursed by a multilateral institution. However, even with the Adaptation Fund now operational, the funding currently available under the UNFCCC is insufficient to meet the projected adaptation needs.

Main issues under the Bali Action Plan and AWG-LCA

Over the past two years in the negotiations, significant progress has been made on identifying the main elements of international action on adaptation. Given the close linkages between adaptation and development planning and implementation, it has been recognised that mechanisms must be created to support national and regional action on both these issues.

The AWG-LCA negotiations under the Bali Action Plan focused first on identifying the main elements of enhanced action on adaptation and forming a basic understanding among the Parties of what they entail. The first group of issues under the negotiations related to the implementation of adaptation action, including determination of the scope of adaptation (whether this is challenge faced by all Parties or only applies to developing countries); identification of actions that are to be implemented; and of the principles that implementation should follow. One of the most difficult issues was risk management and reduction strategies, including risk sharing and transfer mechanisms such as insurance. Developing countries proposed the establishment of an international mechanism to address loss and damage. It was proposed that such a mechanism could receive a certain part of the financing generated for adaptation, as well as being supported by innovative financial instruments, such as venture capital and climate insurance funds. However, this proposal so far has not been supported by most developed countries – with most contentious issue being compensation of the loss and damage to developing countries.

The next group of issues concerned the means of implementation – namely, the adaptation activities in developing countries to be supported by means of implementation, such as finance, technology and capacity-building. These negotiations were closely linked to those on the provision of finance and investment flows. While it was decided that issues related to the delivery of means of implementation (in particular, provision of support)

²² For a more detailed account of the main issues related to adaptation, see *Adaptation to climate change: The new challenge for development in the developing world*, by Dr. E. Lisa F. Schipper, Stockholm Environment Institute; María Paz Cigarán, Libélula Communication, Environment and Development, Peru; and Dr. Merylyn McKenzie Hedger, Climate Change Institute of Development Studies at the University of Sussex, in *The Bali Road Map: Key Issues Under Negotiation*, UNDP 2008.

should be dealt with in the related groups, the negotiating group on adaptation still put placeholders to this regard in the text and held some other related issues open until the negotiations on financing for adaptation would come to some result. One of important points of discussion in this regard was monitoring and review of adaptation action and support and whether this should be only support or also supported adaptation actions that undergo MRV.

Finally, the negotiations worked to define the institutional arrangements at the international level that would guide the implementation of actions and support. A key issue was the role of existing financial institutions under the Convention and the Kyoto Protocol versus creation of a new institutional mechanism. A related issue was the principles of governance for an institutional mechanism. There was general recognition that transparency, efficiency, and equitable and balanced representation should form the basis of any existing or new institutional arrangement, but the operational details would still be up for negotiation. In the course of the AWG-LCA negotiations numerous proposals have been made, including a framework, programme, fund, subsidiary body, etc.

Adaptation in the Copenhagen Accord

In the Copenhagen Accord, the critical impacts of climate change and the potential impacts of response measures on countries particularly vulnerable to the adverse effects of climate change are recognised. The Accord stresses the need to establish a comprehensive adaptation programme, including international support. The Accord includes impacts of response measures into the scope of action on adaptation – a point that has been highly contentious in the negotiations for years.²³ It describes adaptation as a challenge faced by all countries, taking a broader definition of the scope of adaptation.

The Accord further recognises that enhanced action and international cooperation on adaptation is urgently required to ensure the implementation of the Convention by enabling and supporting adaptation actions aimed at reducing vulnerability and building resilience in develop-

ing countries, especially in those that are particularly vulnerable, and especially LDCs, SIDS and Africa. If the Accord is taken as guidance to the AWG-LCA negotiations, this formulation could resolve the open question on which groups of countries should be specially noted as particularly vulnerable.

In the Accord, developed countries commit to providing adequate, predictable, and sustainable financial resources, technology, and capacity-building to support the implementation of adaptation action in developing countries.

²³ The Buenos Aires Programme of Work on Adaptation and Response Measures, while recognising the links between these issues, still treats them distinctly.

Table 6: Enhanced action on adaptation: COP text vs. Copenhagen Accord

ISSUE	PROPOSALS IN THE COP TEXT	COPENHAGEN ACCORD
Scope of adaptation	Issue for all or only for developing countries? No agreement, both options still on the table	Challenge faced by all countries
What is being established to address adaptation (how)	Adaptation Framework [for Implementation]	Need for comprehensive adaptation programme including international support
Response measures part of adaptation or not	Both options still on the table Response measures included or not	Response measures are to be covered under the adaptation framework
Adaptation actions to be undertaken	Identifies a list of actions Remaining points are the inclusion of the compensation and rehabilitation measures and of measures to adapt to impacts of response measures	No detail on actions: those aimed at reducing vulnerability and building resilience
Support for adaptation in developing countries	Not finished, as it was decided to keep consistency with the text to be negotiated on finance.	No detail, besides indication that support should be provided
Institutional arrangements	Options include: - Adaptation Committee - Strengthening the existing institutional arrangements and considering the need for new ones, including a Subsidiary/Advisory Body	- Arrangements for adaptation are not specifically addressed - The Copenhagen Green Fund suggested as the main institution for channelling support
Addressing loss and damage	Options include: - Establishing international mechanism to address loss and damage - Considering in the future the need for creating a mechanism	Not addressed
Monitoring and reporting	- Monitoring and review of support and only information sharing on supported action - Monitoring and review of both adaptation support and associated adaptation action	Not addressed
Prioritisation of most vulnerable	A number of options for definition of most vulnerable countries; issue was not resolved	"The most vulnerable developing countries, such as the least developed countries, Small Island Developing States and Africa"

Progress achieved in Copenhagen

Good progress was made in the negotiations on adaptation in Copenhagen and came very close to reaching an agreement on most of the key points. Most of the issues left open were politically related to an agreement on financial and technological support and capacity building.

The drafting group under the COP mostly resolved the principles for implementation of adaptation action, emphasising that it should be undertaken in accordance

with the Convention; follow a country-driven, gender-sensitive, participatory, and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems; and be based on and guided by the best available science, and, as appropriate, traditional knowledge; with a view to integrating adaptation into relevant social, economic and environmental policies and actions.

Furthermore, the drafting group made progress on identifying the activities to be undertaken, including, among others:

- Planning, prioritising, and implementing adaptation actions;²⁴
- Impact, vulnerability and adaptation assessments, including assessments of financial needs as well as economic, social, and environmental evaluation of adaptation options;
- Strengthening institutional capacities and enabling environments, including those for climate-resilient development and vulnerability reduction;
- Building resilience of socio-economic and ecological systems, including through economic diversification and sustainable management of natural resources;
- Enhancing climate change related disaster risk reduction strategies; early warning systems; risk assessment, management, and sharing and transfer mechanisms;
- Measures to enhance understanding, coordination and cooperation related to national, regional and international climate change induced displacement, migration and planned relocation;
- Research, development, demonstration, diffusion, deployment, and transfer of technologies, practices, and processes; and capacity-building for adaptation;
- Strengthening data, information and knowledge systems, education, and public awareness;
- Improving research and systematic observation for climate data collection, archiving, analysis, and modelling for improving decision-making at national and regional levels.

The COP text also included provisions for enhancing regional cooperation on adaptation. Parties were invited to strengthen and, where necessary, establish regional centres and networks, in particular in developing countries, with support from developed countries and relevant organisations.

The group also managed to narrow down the options, but was not able to fully resolve the issue of institutional arrangements on adaptation, as shown in Table 6. In addition, the issues of the scope of adaptation and support for adaptation were left open.

Outstanding issues

The issues on which agreement is still required mainly concern the institutional arrangements for implementation of adaptation action and its support. Negotiators also still need to resolve how to address loss and damage.

With the commitment of developed countries in the Copenhagen Accord to provide finance, the negotiations in the AWG-LCA should be able to make further progress on the outstanding issues on adaptation.

Implications for developing countries

The Copenhagen conference, both through the Copenhagen Accord and the draft text under the COP, affirmed a strong political commitment to enhance action on adaptation, including provision of support to developing countries to this end.

Adaptation was indicated in the Copenhagen Accord as one of the two areas (alongside mitigation) to which the balanced allocation of “fast-start” finance committed by developed countries up to 2012 should be channelled.

A general agreement achieved in the COP drafting group on the principles for adaptation action, the set of priority activities and enhancement of regional cooperation, as discussed above, is important for facilitating implementation of fast-start action on adaptation in developing countries. This set of actions, even though not formally adopted, could be used as an indication of what the implementation at the national and international level and support for adaptation actions should focus on in the interim. Many of the actions identified have been brought by developing countries and will be indispensable for promoting climate-resilient development and adapting to climate change impacts.

²⁴ Including projects and programmes and actions identified in national and subnational adaptation plans and strategies, national adaptation programmes of action of LDCs, National Communications, technology needs assessments and other relevant national planning documents.

6. ENHANCED ACTION ON THE PROVISION OF FINANCIAL RESOURCES AND INVESTMENT

The provisions of the Convention and the Kyoto Protocol foresee financial assistance from developed to developing country Parties through the financial mechanism of the Convention, as well as through bilateral, multilateral or regional channels. The Global Environment Facility (GEF) has been acting as the entity entrusted with the operation of the financial mechanism of the UNFCCC, subject to review every four years. In addition, several special funds have been created under the Convention and the Kyoto Protocol, including: the Special Climate Change Fund, the Least Developed Countries Fund, and the Adaptation Fund.

The CDM under the Kyoto Protocol is also contributing to financing lower-carbon development in developing countries while assisting developed countries in meeting their emissions targets. The CDM also generates resources for the Adaptation Fund through a share of proceeds.

Finance is one of the key issues in the negotiations on enhanced future action on climate change. Developing countries will need considerable financial assistance for mitigation, adaptation, technology cooperation, and capacity building in order to ensure effective responses to climate change. The amount of investment and financial flows needed is estimated to be in the order of tens to hundreds of billions of dollars per year – much higher than what is currently available through various mechanisms under the UNFCCC and bilateral channels.

Main issues under the Bali Action Plan and AWG-LCA

The negotiations on finance and investment²⁵ have been among the most difficult in the AWG-LCA process. Financial support is a cross-cutting issue, which is highly relevant for mitigation, adaptation, technology, and capacity building. Therefore the lack of progress in the negotiations on finance immediately affects the dynamics of what happens on other issues. These negotiations were complicated by the lack of good understanding of the amount of resources required for climate financing, as the current estimates vary greatly (as discussed in the adaptation chapter).

The negotiations in the AWG-LCA centred on the following key issues:

- generation and provision of financial resources;
- access to finance, including activities to be funded;
- institutional arrangements; and
- compliance.

In the discussions on generation and provision of finance, Parties made various proposals on the sources of finance, including both public and private. A range of proposals was also made on the overall scale of finance to be provided and what should be the basis for determining individual contributions of countries. An important topic was also creation of incentives for directing private investment flows and the role of carbon markets in generating required climate finance.

The debate on access to finance was highly politicised and focused on how to improve access for developing countries to existing and future financial resources. Developing countries advocated for “direct access” to avoid undergoing excessive bureaucratic and cumbersome procedures for accessing finance, while donors wished to retain certain degree of control over how the resources are spent. Another important issue in this debate concerned priorities, i.e., ensuring that funding corresponds to the national needs of the host countries and is not dominated by donor priorities, while still ensuring transparency and effectiveness of the funded activities. The related issue of prioritisation of the limited funding often caused disagreement among the Parties. There was a general agreement in the AWG-LCA that the most vulnerable and the least capable should have priority; however, the problem was to specify those countries. Furthermore, the form in which support was to be provided (i.e., grants or loans) is still not resolved.

The **institutional arrangements** for the provision of financial resources and investments will determine how the issues discussed above will be implemented. The central disagreement between developed and developing countries was the role of existing institutions versus the creation of new mechanisms for provision of resources.

²⁵ For detailed overview of the key issues in the negotiations on finance see “Negotiations on additional investment and financial flows to address climate change in developing countries” by Erik Haites, Margaree Consultants, Inc. in ‘The Bali Road Map: Key Issues Under Negotiation’, UNDP 2008.

Developing countries generally advocated for creation of new institutions. Governance of the institutions, as well as monitoring and review of the provision of the support and actions, are related issues that remained unresolved.

Finance in the Copenhagen Accord

Agreement on the provision of significant financial support by developed countries was among the most significant outcomes of the Copenhagen conference. In the Copenhagen Accord, developed countries collectively committed to provide new and additional resources, including through international institutions, approaching USD 30 billion for the period 2010 to 2012, with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritised for the most vulnerable developing countries, such as the LDCs, SIDS, and Africa.

In addition, in the context of meaningful mitigation actions and transparency on implementation, developed countries committed to a goal of jointly mobilising USD 100 billion dollars a year by 2020 to address the needs of developing countries. This funding would come from a wide variety of sources: public and private, bilateral and multilateral, including alternative sources of finance.

While this was a very positive development, it is not entirely clear from the text whether the USD100 billion annually would only be provided for mitigation, or whether it also included resources for adaptation.

According to the Copenhagen Accord, new multilateral funding for adaptation will be delivered through effective and efficient fund arrangements, with a governance structure providing for equal representation of developed and developing countries. However it doesn't explain how it would relate to the existing financial mechanisms.

In the Accord, several decisions are suggested in relation to institutional arrangements, including a High Level Panel to be established under the guidance of, and accountable to, the COP to study the contribution of the potential sources of revenue towards meeting the financial goal. Furthermore, a Copenhagen Green Climate Fund is to be established as an operating entity of the financial mechanism of the Convention to support projects, programmes, policies, and other activities in developing countries related to mitigation (including REDD-plus), adaptation, capacity building, and technology development and transfer. The Fund would receive a significant portion of the funding committed under the Accord.

Table 7: Provision of finance and investment: COP text vs. Copenhagen Accord

ISSUE	PROPOSALS IN THE COP DRAFT TEXT	COPENHAGEN ACCORD
Provision of financial resources	Scaled-up, predictable, new and additional, and adequate funding to be provided to developing country Parties	- Approaching USD 30 billion for the period 2010 to 2012 with balanced allocation between adaptation and mitigation - Developed countries committed to mobilising jointly USD 100 billion dollars a year by 2020 from a wide variety of sources
Generation/ sources of finance	Variety of proposals, including options covering both public and private sources and contribution by only developed or all countries. Issue was not resolved.	- Include public and private sources, but no detail - Established a High Level Panel to study the contribution of the potential sources of revenue
Form of finance	Loans and/or grants	Not specified
Institutional arrangements	Proposals vary widely, depending on the specific proposal, but include: - A Finance Board of the financial mechanism - Climate Fund/Facility - Reforming the existing institutional arrangement to ensure the GEF responds more effectively to needs of developing countries	The Copenhagen Green Climate Fund is to be established as an operating entity of the financial mechanism

Progress achieved in Copenhagen

At first sight, the Copenhagen Accord resolved some of the main political issues with respect to the framework for provision of financial resources that has been under the negotiation in the AWG-LCA. It defined the overall amount of finance to be provided by developed countries, clearly defined the need for MRV of financial commitments of Annex I countries and for developing a robust and transparent system to account for finance provided; and suggested the institutional arrangements (the Copenhagen Green Climate Fund) for implementation.

Outstanding issues

The decision on establishment of an operating entity of the financial mechanism of the Convention can only be taken by the COP. To be accountable to the COP, a High Level Panel should therefore be established by the COP itself. Since the Copenhagen Accord has not been formally adopted by the COP, the proposed steps in the Accord on institutional arrangements cannot be taken until the COP decides so – unless the institutions are created outside of the UNFCCC.

Furthermore, the provision on finance under the Copenhagen Accord has been criticised by some developing countries on the count that it was not clear whether the pledges were new and additional, or perhaps simply meant directing funding from other areas of development assistance.²⁶

Another issue that remains open is how to ensure predictability of funding. The Accord does not provide any guidance on the generation of funds as this decision was left to be taken based on the findings of the High Level Panel. Similarly, no decision has been made on the share of financing for different focus areas (i.e., the division between mitigation and adaptation, etc.). It is likely for fast-start financing these decisions would be taken by those institutions that will disburse funding.

Implications for developing countries

Given the uncertain status of the Copenhagen Accord, the fast-start financing that was pledged in Copenhagen would likely need to go through the various existing institutions.

The draft COP text, even though it has not been finalised yet, can be used to guide provision of fast-track finance in certain areas on an interim basis. In particular, the lists of actions eligible for support that were nearly finalised in the negotiations (on adaptation, REDD-plus, and technology development and transfer) could be useful for financial institutions and host countries as basic guidance.

Furthermore, a High Level Panel on sources of finance could be formed and start its work on an interim basis, so as to provide an input to the COP 16 in Mexico to facilitate decision-making. In the meantime, the GEF would remain as an operating entity of the financial mechanism of the Convention until the COP decides otherwise.

Taking the Copenhagen Accord as guidance in the AWG-LCA negotiations (in particular, the points related to the creation of the Green Fund and the High Level Panel), might allow the negotiations on provision of finance and investment to make quick progress.

²⁶ Copenhagen's Climate Finance Promise, IIED Briefing Note, February 2009.

7. ENHANCED ACTION ON TECHNOLOGY DEVELOPMENT AND TRANSFER

Technology is at the centre of the source of the climate change problem, as it largely determines the level of emissions, but it is also at the heart of the solution – both for mitigation and adaptation actions. Financial and other incentives are critical to ensure technology research and development, deployment, and transfer to developing countries. The latter has been one of the most heated topics in the negotiations between developed and developing countries for many years.

There is no established definition of technology and technology transfer in the Convention, but increasingly a broader definition suggested by the Intergovernmental Panel on Climate Change is being implied, which defines technology not only in terms of equipment, but also covers every relevant flow of hardware, software, information, and knowledge. Despite the recognition of the central role of technology and technology transfer for mitigation and adaptation, there has been little transfer of climate-friendly technology under the UNFCCC. The application of the principles, the establishment of mechanisms, and the actual transfer of technologies have yet to be put into effect.

Main issues under the Bali Action Plan and AWG-LCA

The Bali Action Plan recognised enhanced action on technology as one of the four main building blocks of a future agreement on climate change and a precondition for enhancing action on mitigation and adaptation. The main issues in the AWG-LCA include:

- Mechanisms for removal of obstacles to, and provision of, incentives for scaling up of development and transfer of technology;
- Ways to accelerate deployment, diffusion, and transfer of technologies;
- Co-operation on research and development of current, new, and innovative technologies;
- Effectiveness of tools and mechanisms for technology co-operation in specific sectors.

One of the most contentious issues in the negotiations on transfer and development of climate-friendly technology concerns the role of the intellectual property rights (IPRs). Developing countries have argued that IPRs hinder technology transfer and called for the creation of international mechanisms to purchase IPRs for key

technologies and licensing policies. Developed countries, on the other hand, stress that IPRs are necessary to promote technology innovation and do not support relaxing the IPR regimes.

Technology under the Copenhagen Accord

In the Copenhagen Accord, establishment of a Technology Mechanism is proposed to accelerate technology development and transfer in support of action on adaptation and mitigation that will be guided by a country-driven approach and be based on national circumstances and priorities.

Progress achieved in Copenhagen

Negotiations on technology in the AWG-LCA and later on in the drafting group under the COP in Copenhagen made significant progress in narrowing the numerous options down to the most critical issues. The COP text is very comprehensive and it should not take much time to finalise. It contains a list of actions that would be eligible for support under the technology mechanism, including, among others:

- Development and enhancement of endogenous capacities and technologies of developing countries, including cooperative research, development, and demonstration programmes;
- Deployment and diffusion of environmentally-sound technologies and know-how to developing countries;
- Increased public and private investment in technology development, deployment, diffusion, and transfer;
- Deployment of soft and hard technologies for implementation of adaptation and mitigation actions;
- Improved climate change observation systems and related information management;
- Strengthening of national systems of innovation and technology innovation centres; and
- Development and implementation of national technology plans for mitigation and adaptation.

Table 8: Enhanced action on technology: COP text vs. Copenhagen Accord

ISSUE	PROPOSALS IN THE COP DRAFT TEXT	COPENHAGEN ACCORD
Mechanisms for scaling up of development and transfer of technology	Proposes establishment of a Technology Mechanism, comprised of: - A Technology Executive Committee - A Climate Technology Centre and Network	Proposes establishment of a Technology Mechanism
Governance arrangements for the mechanism	To be developed: - Full mandate, composition and modalities for the operation of the Technology Executive Committee and the Climate Technology Centre	Not specified
Activities to be supported	Identifies a list of activities eligible for support	Guided by a country-driven approach and based on national circumstances and priorities
Linkage with finance	- Technology Executive Committee to provide information on the financial arrangements - Provides guidance for funding	Technology identified among areas for financial support. No detail provided.
Intellectual Property Rights	Not resolved. A number of options: - No reference to IPRs - Range of options on how IPRs can be addressed	Not addressed

Outstanding issues

One contentious issue that was not resolved is whether purchasing of the licences and other IPR issues should be included among the eligible activities. Most of the options proposed in the course of the negotiations are still in the text.

Governance arrangements for the technology mechanism – including the full mandate, composition and modalities for the operation of the Technology Executive Committee and the Climate Technology Centre – also need to be determined.

Implications for developing countries

As noted above, the COP text contains a list of actions that would be eligible for support under the technology mechanism, on which no disagreement was registered apart from one item (purchasing of licences). This list can be used by host countries and development agencies to guide support in the interim, until a comprehensive decision on technology is adopted by the COP.

Since technology development and transfer was identified in the Copenhagen Accord as one of the eligible areas for the financial support, it seems there is a sufficient basis to move ahead with implementation on the basis of the fast-start financing that has already been pledged. In this context, the recognition of the importance of a country-driven approach and of the national circumstances and priorities in the Accord is significant for developing countries.

8. CONCLUSIONS: IMPLICATIONS FOR IMPLEMENTATION OF CLIMATE ACTION

The Copenhagen conference fell short of a comprehensive agreement on a future framework on climate change. It did however make progress both in terms of identifying the key points of a potential political consensus on the fundamental issues for the future agreement through the Copenhagen Accord and in terms of clarifying further important technical points related to the implementation of the enhanced action on mitigation, adaptation, technology, and finance. Furthermore, the conference delivered a commitment from developed countries to provide significant finance to support actions in developing countries and facilitated political commitment from developed countries on emission reduction pledges and from developing countries on NAMAs.

These achievements provide a good basis for advancing the negotiations under the UNFCCC towards the next climate change conference to be held on 29 November-10 December 2010 in Mexico. The analysis in this document shows that if Parties were to take the Copenhagen Accord as overarching political guidance on the crunch issues, the technical negotiations under the AWG-KP and AWG-LCA could be significantly advanced and the texts finalised more quickly, while taking into account the concerns of those countries which could not agree to the Accord in Copenhagen.

Table 9 summarises the key outcomes, as well as the outstanding issues, for each of the main elements of the future framework and the main implications for developing countries. The most significant outcomes for the implementation of action in developing countries concern the financial commitment and the political commitment to launch the REDD-plus and technology mechanisms. Moreover, agreement on the treatment of the MRV issue for NAMAs, depending on whether they are self-financed or supported, has allowed many developing countries that had reservations to move ahead with their self-financed NAMAs since the Copenhagen conference.

The draft text under the Convention, in particular on the principles and priority actions for each of the key areas, provides sufficient guidance for starting implementation of fast-start action in developing countries on mitigation, adaptation, and technology development and transfer, so that no time is lost in waiting for the negotiations to deliver a comprehensive agreement.

At the same time, a number of issues that have direct implications for the implementation of actions in developing countries still need to be resolved. In particular, the institutional arrangements for finance, including governance arrangements and procedures for prioritisation, allocation, and disbursement of funding – both among and within the key issue areas – need to be developed and agreed. It is also unclear how the funding already committed by developed countries will be allocated between the key issue areas. While it was noted in the Copenhagen Accord that fast-start finance approaching USD 30 billion in 2010-2012 would be balanced between mitigation and adaptation, it is not clear whether the USD 100 billion per annum committed for the longer term would also include adaptation and, if not, how and how much funding will be provided for adaptation in the mid-and long-term.

With many countries having formally supported the Copenhagen Accord, there are good prospects for advancing the negotiations this year. However, negotiators still need to overcome the damage caused by the lack of agreement in Copenhagen. Significant efforts will be needed on all sides for rebuilding trust among the Parties. Some observers also noted that, in this context, the pace and the success of the international negotiations will depend to a large extent on how fast and effectively developed countries follow through on their financial commitments made in Copenhagen to support fast-start action in developing countries.

Table 9: Implications of the Copenhagen Conference for developing countries

ISSUE	PROGRESS ACHIEVED IN COPENHAGEN	OUTSTANDING ISSUES	IMPLICATIONS FOR DEVELOPING COUNTRIES
Shared vision	<ul style="list-style-type: none"> - Political commitment - Temperature goal - Assessment of implementation in 2015 	<ul style="list-style-type: none"> - Global goal for emission reductions - Peaking year for global emissions 	<ul style="list-style-type: none"> - Copenhagen Accord is on the lower end of ambition - 2°C goal: associated high adverse impacts - Review in 2015 for 1.5°C
Mitigation by developed countries	<ul style="list-style-type: none"> - Bottom-up pledges by Annex I Parties - Basis for advancing negotiations 	<ul style="list-style-type: none"> - Joint target for Annex I countries - Legal nature of targets/compliance 	<ul style="list-style-type: none"> - Demand for CDM credits - Level of reductions affects climate impacts
Mitigation actions by developing countries (NAMAs)	<ul style="list-style-type: none"> - Most political issues on NAMA resolved - Guidance on the nature of actions - Principles for MRV of NAMA - Registry for matching NAMAs with support - Pledges for NAMA made 	<ul style="list-style-type: none"> - Types of actions eligible for support - Procedure for matching NAMAs with support - MRV guidelines - Eligibility for carbon crediting - CDM & NAMAs 	<ul style="list-style-type: none"> - Basis for supporting NAMAs as part of fast-start finance - Low-carbon development strategies - Assessments to determine NAMAs - Capacity-building for MRV systems
REDD-plus	<ul style="list-style-type: none"> - Establishment of REDD-plus mechanism - COP text almost ready - Principles for implementation - Actions that host countries should undertake - Commitment on finance 	<ul style="list-style-type: none"> - Role for market finance - Sub-national measures - Governance arrangements - Amount of financing to be allocated, although USD 3.5 billion was pledged as initial support over the next 2 years 	<ul style="list-style-type: none"> - Clarity on what is necessary to participate in REDD-plus - Can start preparation for implementation - Financing will be provided
Action on adaptation	<ul style="list-style-type: none"> - Principles for adaptation action - List of priority activities - Enhancement of regional cooperation - Political commitment to launch framework and provide finance 	<ul style="list-style-type: none"> - Institutional arrangements - Loss and damage 	<ul style="list-style-type: none"> - Commitment to support developing countries - One of the main areas for fast-start finance - Adaptation actions in the COP text can guide fast-start action
Financing and its governance	<ul style="list-style-type: none"> - Amount of finance to be provided - Suggestion on institutional arrangements (Copenhagen Green Climate Fund and High-Level Panel on sources of funding) 	<ul style="list-style-type: none"> - Decision on institutional arrangements - Ensuring predictability/ generation of funds - Share of financing for various focus areas 	<ul style="list-style-type: none"> - Finance committed for support - Fast-start financing likely through the existing institutions - GEF remains the operational entity - COP text can guide fast-track finance - High Level Panel could start on interim basis
Technology development and transfer	<ul style="list-style-type: none"> - Most issues agreed - Mechanism to be established - List of eligible activities 	<ul style="list-style-type: none"> - IPRs - Governance, incl. full mandate, composition and modalities for Technology Executive Committee and Climate Technology Centre 	<ul style="list-style-type: none"> - List of eligible actions for support can guide fast-start action - Country-driven approach, national circumstances/priorities

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