

CLIMATE POLICY BRIEF FOR COP 21 (PARIS)

**In View of Cambodia's Priorities and Special Circumstances
As a Climate Vulnerable Least Developed Country (LDC)**

**Elaborated By Mr. Thomas Hirsch and
Mr. Tirthankar Mandal from Climate & Development Advice**

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The DIPECHO project is a consortium of ActionAid, DanChurchAid/ChristianAid, Oxfam, People in Need and Save the Children. The consortium works to address immediate needs and capacity of relevant stakeholders and communities in order to reduce their disaster and climate risks.

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The views expressed in this report are not necessarily those of the editors.

List of Abbreviations and Acronyms

| | |
|----------|---|
| ACT | Action of Churches Together |
| ADP | UNFCCC Ad Hoc Working Group of the Durban Platform on Enhanced Action |
| AILAC | Association of Independent Latin American Countries |
| AOSIS | Association of Small Island States |
| BASIC | Brazil, China, India & South Africa |
| COP | Conference of Parties |
| G7 | Group of the 7 most relevant industrialized countries |
| G20 | Group of the 20 most relevant industrialized countries and emerging economies |
| GHG | Greenhouse gases |
| INDC | Intended Nationally Determined Contribution |
| IPCC | International Panel on Climate Change |
| LDC | Least Developed Countries |
| LMDC | Like Minded Developing Countries |
| MRV | Measurement, Reporting & Verification |
| NAP | National Adaptation Plans |
| NAPA | National Adaptation Program of Action |
| ODA | Official Development Assistance |
| OECD | Organization for Economic Cooperation and Development |
| SIDS | Small Island Developing States |
| UNFCCC | United Nations Framework Convention on Climate Change |
| WIM | Warsaw International Mechanism |
| WS 1 & 2 | ADP Workstream 1 & 2 |

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Executive Summary

Cambodia has set up a national climate change strategy aiming at strengthened climate resilience and improved use of renewable energies in order to achieve its sustainable development goals. As part of the LDC group, Cambodia is expecting an ambitious Paris agreement, applicable to all and beneficiary to address the country's vulnerability. This brief discusses the current (July 2015) state of climate negotiations in terms of procedures, content and legal form. Possible scenarios for the remaining steps are presented and remaining policy options in view of Cambodia's and LDC priorities are assessed. The briefing concludes with proposing strategic priorities to achieve in Paris.

Key Policy Options

Like many other LDCs and neighboring countries, Cambodia is threatened by climate change. In response, Cambodia has elaborated its strategy to close gaps, reduce risks, improve resilience and use the potential of low carbon technologies for development. COP 21 provides an opportunity at both national and international levels, to deepen co-operation with stakeholders and partners, to link up national and international processes, and to contribute to enabling international framework conditions, leading to a new era of fostered international collaboration. Cambodia can contribute to the dawn of the new era by taking a proactive and committed stand in climate talks. Summarizing the results from our assessment, we recommend to considering the following strategic priorities:

- ❖ **Long-term goal: Accompany 1.5/2°C temperature goal by net-zero emission goal**
- ❖ **Incremental implementation: establish review and ratcheting up mechanism**
- ❖ **Transparency framework with common MRV principles for all except LDCs and SIDS**
- ❖ **Adaptation goal, backed by institutional framework and support for resilience**
- ❖ **Recognition of loss & damage and strengthening of the WIM anchored in agreement**
- ❖ **Ensuring predictable finance of at least \$ 100bn, with preferential access for LDCs/SIDS**
- ❖ **Additional steps to close pre2020 gap, assessed annually by ministerial under ADP WS2**

Introduction

This policy briefing aims at supporting Cambodia's positioning and active participation in the 2015 climate talks leading to COP21 in Paris. It is written with a view on Cambodia as one of the most climate vulnerable countries of the world¹, embarking on the positions of the Least Developed Country group (LDC), and having defined its national priorities in the Climate Change Response Strategic Plan 2014-2023, as adopted by the Kingdom of Cambodia in 2013. The policy briefing describes the current state of negotiations under the United Nations Framework Convention on Climate Change (UNFCCC), that are expected to lead to the adoption of a legally binding post 2020 climate agreement, applicable to all parties, in Paris at COP21. Comparing the current status of negotiations with the priorities of Cambodia, and reflecting the key positions of the LDC group, various scenarios and policy options will be presented and discussed. The authors will conclude with policy recommendations, which may help Cambodian stakeholders, inter alia civil society and the government, to form its positions and to engage in the UNFCCC process in a way that leads to the best possible outcome in view of the country's needs and priorities.

2015 will be the decisive year to achieve an international climate agreement aiming at creating the necessary international political and economic framework conditions to keep global warming well below 1.5/2° C: The UN climate summit 2015 in Paris is expected to become a milestone in the struggle against climate change, and the most important COP since COP 15 in Copenhagen (2009).

That doesn't mean however, that the agreement itself will already close the climate gap. This is almost impossible in view of the national emission reduction commitments presented by states so far: they are still far below the level of ambition needed to stay below 1.5/2°C. If it is not the level of ambition achieved, what is it, that makes Paris so important? Apart from the commitment of an increasing number of States to commonly agree on a serious long-term commitment to switch to a low carbon climate resilient pathway consistent with 1.5/2°C, the transformative potential of the Paris agreement lies in the ability to create a mechanism, applicable to all, which facilitates transparency, accountability, early emission peak and incremental ratcheting up of nationally determined contributions.

In terms of legal form, Paris is expected to deliver a binding agreement, complemented by COP decisions and a solutions agenda. This package shall provide a carbon free long-term vision, backed by a global accounting and review mechanism as well as support packages to stepwise phase out carbon emissions and build up climate resilience. The Paris package to become a dealmaker needs to foster collaboration and solidarity between nations.

¹ After the Philippines, Cambodia ranks on the second place of the Global Climate Risk Index 2015, published by Germanwatch; <https://germanwatch.org/de/download/10333.pdf>

Is this realistic to happen? It is interesting to observe that the UNFCCC process itself has moved much slower than the real world's framework conditions have changed since the Copenhagen failure in 2009. Seven trends give reason for hope that Paris will finally deliver:

1. The science base as reflected in the latest 5th IPCC Assessment Report is very clear: wide agreement has been achieved that global emissions must peak before 2020 and sharply decline thereafter to reduce the climate risks. Climate skepticism is decreasing.
2. Negative climate impacts are now experienced globally. Extreme weather events like heat waves, floods, storms and droughts have been increasing, leading to growing economic losses. 2014 was the warmest year ever with about 900 extreme weather events causing economic losses of \$ 100bn, according to data of insurance companies²
3. Alternatives to burning fossil fuels have become much more viable. The success of renewable energies is massive: Photovoltaic is 80% cheaper and 40% more efficient than 2009. Renewables have become a business case due to a rapid price decline and favorable framework conditions like feed-in laws in many countries. According to the International Energy Agency, renewables will become the major energy source within decades.
4. Green energy investments are increasing. While fossil fuel investments are increasingly considered as risky or even stranded assets, important shifts toward renewable energies take place. In 2014, investments in renewables grew by 16% to more than \$ 300 billion.³
5. Public opinion is changing: climate change is being considered as a threat to our future whereas renewable energies appear as economic opportunity. Growing concern about the future of humanity is increasingly making leaders, including in the economy, religions, science, arts, and more sectors, reflect the economic, scientific, social moral and ethical implications of climate change.
6. There are strong indications that the megatrend of de-carbonization has started globally: After decades of continuous and steep increase of GHG emissions this trend seems to have come to a halt since 2012. 2014 could become the first year with slightly lower emissions from the energy sector.⁴ All OECD countries have started to de-carbonize and China as the biggest transition state seems to follow.⁵ The global peak year of emissions is in reach.

² See <http://www.munichre.com/natcatservice>

³ Climate Policy Initiative (2014): Global Landscape of Climate Finance 2014

⁴ <http://www.iea.org/newsroomandevents/news/2015/march/global-energy-related-emissions-of-carbon-dioxide-stalled-in-2014.html>

⁵ <http://energydesk.greenpeace.org/2015/05/14/china-coal-consumption-drops-further-carbon-emissions-set-to-fall-by-equivalent-of-uk-total-in-one-year/>

7. Political will of the majority of states is given to get a Paris agreement. These before mentioned developments have made the G7 confident to commit to de-carbonization in its summit in June 2015 in Germany. By July 22nd, China, the EU, the U.S. as well as 17 other countries have presented their INDCs and many more will follow. This must translate into a new dynamic and breakthrough in climate negotiations.

Change will continue to face setbacks - but the momentum to seriously tackle the threatening megatrend of climate change is there.

Methodology

This climate policy briefing is being conducted on request of a coalition of NGOs, led by the Cambodian Joint Country office of DanChurchAid and ChristianAid (DCA/CA), in cooperation with the Ministry of Environment and NGO Forum on Cambodia. Both DCA and CA are part of ACT Alliance, a global coalition of over 140 churches and church based development and humanitarian organisations, focussing on the needs and rights of the world's poorest people and supporting equitable transformational change of economies and societies towards sustainability, low carbon development and climate resilience for all.

The authors have elaborated this policy briefing in a five-step approach:

In a first step, they assessed relevant documents like country strategies, positions, legal texts, and others, provided by the contractor to the consultants, to understand the current positioning of the Cambodian government and civil society towards international climate policies, its priorities, specifics, and possible gaps in a desk study. This analysis included, apart from Cambodian documents, key documents of the LDC group and the ACT Alliance, as the two major reference groups of both Cambodian government, and NGOs with regards to international climate policies. The list of reference documents is annexed to this report.

In a second step, focal group discussions and semi-open interviews with key stakeholders - proposed by the contracting authority - were conducted, to further deepen the understanding of these stakeholders' Paris expectations and considerations. All interviews (e.g. with representatives from the Ministry of Environment, UN bodies and civil society) were documented and can be found in the annex.

In a third step, the current state of affairs of negotiations, possible Paris scenarios and the positioning of key actors were documented with a particular focus on those issues and elements, which are key priorities of Cambodian civil society and government. This has led to the formulation of a number of possible policy options, reflecting, inter alia, the following questions: What is the remaining policy space, four months ahead of Paris? In how far is the possible result already pre-determined? What are the key elements of the Paris package, how are they inter-related, and what could be the possible legal form? Who are possible alliance partners for Cambodia? What are crunch issues? Who are difficult partners? What are possible landing grounds and how could package deals including Cambodia's priorities look like?

In a fourth step, the authors formulated a series of policy recommendations, resulting from step three, and aiming at providing guidance and food for thought to the contracting authority.

In a last step, the draft policy briefing was discussed with the contracting authority, completed and finalized.

Sources are provided in footnotes and before mentioned reference documents annexed.

Findings and conclusions on state of affairs in climate talks

The international process leading to a Paris agreement

It is the firm conviction of the incoming and outgoing COP presidency, France and Peru, as well as of the UNFCCC secretariat and major parties, to achieve agreement on key elements of the Paris outcome in terms of both, content and form, well before COP 21 in December. This view is also in line with previous COP decisions, foreseeing that a draft legal text, suitable for final negotiations, should be ready not later than May 2015. While a draft text has already been elaborated in February 2015, it is still far away from being negotiable.

Most parties agree that another Copenhagen scenario should be avoided, with decisions taken in the very last moment by a very small group of countries. Basically all countries, that wish to achieve an ambitious outcome, but in particular the small and climate vulnerable ones like LDCs and small developing island states (SIDS), the latter organized in the Association of Small Island States (AOSIS), insist in a country driven and inclusive negotiation process, where decisions are taken jointly. They strictly oppose a last minute deal, determined by a few powerful countries, and based on a minimal consent, put on paper in a form, which was neither developed by all nor discussed and agreed in consensus and which finally leaves no other choice to the vast majority of countries to either sign it or leave Paris without any agreement. Parties who have taken that stand should take the next UNFCCC Ad Hoc Working Group of the Durban Platform on Enhanced Action (ADP) session, beginning in the end of August 2014, as the last chance to significantly move the current negotiations forward. Other parties that are less or not interested to achieve an ambitious deal, despite rhetoric, would continue to slow down and prolong the negotiation process, which would finally make it impossible to commonly agree on a substantial outcome. Some of those parties, who are confident to be among the small group, which would finally try to achieve a last minute deal behind closed doors, are also less concerned with the slow progress achieved so far. Cambodia definitely belongs to the first and biggest group of countries with a substantial interest to now switch to meaningful negotiation mode.

The next ADP session, currently scheduled for August 31st to September 4th, with an option to be prolonged by several days, will provide the maybe last opportunity to transform the negotiation text into a concise and manageable negotiating text and a draft outline of decisions, which will accompany the Paris agreement, dealing with issues that are not considered in the core agreement itself.

In preparation of this session, an informal ministerial took place in Luxembourg on July 18th – 19th, with about forty ministers representing all major parties and country groups, and chaired by the French foreign minister Fabius. For July 24th, the two current co-chairs of the ADP, Mr Ahmed Djoghla (Algeria) and Daniel Reifsnyder (U.S.), announced to publish a

further streamlined, condensed and consolidated version of the negotiating text, as new basis for the next ADP session.

There are currently two main scenarios for the next steps:

(1) If parties substantially succeed with negotiations in the August/September ADP session, meaning amongst others to really start negotiations, agree on what can be agreed, reduce options and discuss possible landing ground for the more controversial issues, they maintain the chance to agree on the main elements in a head of states meeting back to back with the United Nations General Assembly in September, and to achieve a draft outline for the Paris agreement in the last remaining ADP session (October 19th – 23rd), maybe followed by another ministerial meeting.

(2) If parties fail to succeed in August/September, it is very likely that the current negotiating text, called “Geneva text” is politically dead and will be replaced by a new text, provided by the COP presidency before the above mentioned heads of state meeting in September. If negotiations continue with such an “alien text”, the inclusiveness of the decision-making will be significantly reduced – and the chances to realize as many Cambodian and LDC priorities as possible will very likely go down. Depending on the reception of such a new presidential draft by parties, key agreements could either be achieved still before COP21 or, what is more likely, only in Paris as a last minute decision of a small group of most influential countries, if not by the French COP presidency, China, the U.S. and less than a handful others alone.

It is important to understand that in either scenario, key decisions will be taken before the COP itself – and probably at least partly even outside the formal UNFCCC process. The following overview highlights international summits, which are relevant in this regard. Apart from this, ongoing informal consultations are held to solve crunch issues and agree on core elements of the Paris outcome.

The **UN Financing for Development Summit in Addis**, July 13th – 15th laid the foundation for financial development cooperation in the years to come. It was therefore relevant to frame the negotiations on long-term climate finance but put only little light on the future role of the emerging transition states like China, Saudi Arabia, Singapore, Qatar, Mexico and others.

The **UN Sustainable Development Summit in New York**, September 25th -27th is expected to deliver a new post-2015 development agenda, with sustainable development goals (SDGs) replacing the Millennium Development Goals. Climate change, fostering resilience and providing access to sustainable energy are issues on the negotiation agenda. This summit will further clarify in how far countries are really committed to switch to a more sustainable development paradigm. It will also frame the debate how to differentiate in future between

countries and their evolving responsibilities and capabilities with a view on effort sharing and national commitments.

The **G20 summit in Antalya/Turkey**, to be held from November 15th-17th, provides the last opportunity for G20 heads of state to meet before the Paris COP. Although climate is usually not prioritized in G20 meetings, climate finance as well as improved access to renewable energy and phasing out fossil fuel subsidies is on the agenda. A strong commitment of G20 for a meaningful Paris agreement outcome, enshrined in the G20 declaration, would set a powerful signal towards Paris. G20 accounts for 75% of global emissions. Their climate ambition is the backbone of any Paris agreement.

The current negotiating text and its key elements

As outcome document of COP20 in Lima in December 2015, the so called “Elements of a draft negotiating text” were agreed in decision COP20/1. This text is annexed as a 39 pager to the “Lima Call for Action”.⁶

This text served as the basis for further negotiations during the first ADP session in 2015 that was held in Geneva in February. It was further blown up to 86 pages and finally adopted as the formal Paris negotiating text.⁷

During the ADP 2.9 session in June 2015 in Bonn, the text was again discussed and streamlined. It became a document of 85 pages.⁸ In view of the very slow process, despite 75 working group meetings, structured along the sections of the document and chaired by tandems of facilitators,⁹ parties in the end of the June session finally agreed to follow the proposal of the ADP co-chairs¹⁰ and mandated them to present, by July 24th 2015, another clear, concise and streamlined text version, which will not delete any option, but clear them in a way that real negotiations can start in the next ADP session. However, the Geneva text version will still remain the only formal negotiation text until the COP decides to replace it by a new version.

The text is structured in thematic sections and contains, as key elements and apart from preamble, definitions and general objective, chapters on mitigation, adaptation and loss and damage, finance, technology development and transfer, capacity building, transparency of action and support, time frames and procedural issues, and the facilitation of implementation and compliance. It is important to note, that each chapter includes a huge number of alternative and mostly contradicting options, representing the entire spectrum of diverging views amongst parties. The text as such is far away from being negotiable, and not

⁶ https://unfccc.int/files/meetings/lima_dec_2014/application/pdf/auv_cop20_lima_call_for_climate_action.pdf

⁷ https://unfccc.int/files/bodies/awg/application/pdf/negotiating_text_12022015@2200.pdf

⁸ http://unfccc.int/files/bodies/awg/application/pdf/adp2-9_i3_11jun2015t1630_np.pdf

⁹ http://unfccc.int/files/bodies/awg/application/pdf/updated_information_on_facilitators_and_co-facilitators.pdf

¹⁰ https://unfccc.int/files/bodies/awg/application/pdf/way_forward_11_june_-_edits_1026am.pdf

yet drafted in a concise form that is required for international agreements. Furthermore, the Geneva text does not provide any proposal for the legal form of the various text elements, i.e. core agreement, COP decision, political declaration or any other form. The lack of progress with regard to the text makes legal experts quite concerned. They argue that the negotiating process lacks 1-3 years behind the adequate timing for a far reaching international agreement as ambitious as the one expected in Paris.

The possible architecture and legal form of the Paris agreement

To succeed in Paris, agreement on the legal form of each element and where to formally place them in the Paris package is required. In terms of its architecture, the package is expected to consist out of three layers: a core agreement (maybe with an annex), COP decisions and a package of political declarations.

From the perspective of a climate ambitious country, the core legal agreement should be placed under the Convention, designed to remain in place for decades. It should describe the general objective or long-term goal (e.g. to keep global warming below 1.5°C) as well as the principles and rules of the new agreement (e.g. a mechanism, applicable to all and designed to track, review and ratchet up the cumulative effort resulting from nationally determined contributions to close the emission and climate risk gap). Aspects regarding principles and rules are covered in various chapters of the current negotiating draft, including the ones on transparency of action and support, time frames, and facilitating implementation and compliance.

The core agreement might be complemented by an annex of technical nature and/or refer to ancillary instruments whose content is nationally determined, e.g. a registry or information documents regarding nationally determined commitments.

COP decisions should address particular pre and post 2020 issues in greater detail, adopted at COP 21 or thereafter. Issues tackled in decisions could evolve over time.

Political declarations should help to implement the core agreement and the COP decisions by enhancing collaborative action, e.g. through additional voluntary efforts to raise climate ambition or the provision of support.

Each thematic element of the Paris package unfolds in sub-components, which might fall on more than one of the three layers. It is critical in terms of political risk management to ensure that the core agreement does not contain barriers to increased climate ambition. The second priority is to include as many catalysts into the agreement as possible. The COP decisions are of lower-ranking relevance whereas political declarations must not replace a legal mechanism but could foster its implementation.

Cambodia's climate policy priorities

Being considered as Southeast Asia's most climate vulnerable country,¹¹ Cambodia's top priority is to increase its climate change response capacity. It is important to note that the high vulnerability in lesser degree results from extreme climate threats (they are comparable with or even lower than in neighbouring countries), but rather results from the very low resilience and fragility of the country in general, and its rural mostly agricultural dependent population in particular. According to scientific studies, the current trend of warming (+ 0.8°C since 1960) could be dramatically accelerated in the decades to come in the Mekong River Basin, putting this area, its paddy cultivation and watershed management at high risk. Thus climate change is being considered as serious challenge to Cambodia's economic development and environmental sustainability.¹² It's narrow-based economy, highly dependent on agriculture, garment factories, and tourism, must become more resilient, in particular the food sector (dominated by small scale paddy farming and artesanal fisheries).

Apart from improved climate resilience, Cambodia prioritizes the mobilisation of its renewable energy potential, to reduce its high dependence on fossil fuels (95% of the electricity mix) and to overcome energy poverty, which is considered a key reason of the country's low level of industrialization.¹³

The current Cambodia Climate Change Strategic Plan 2014-2023 (Strategic Plan)¹⁴ is the key document laying down the national actions and strategies. Building on the NAPA and the national green growth policy, it aims to integrate climate response strategies into the broader national development planning process, i.e. the National Strategic Development Plan (2014-2018), but also respective sub-national planning processes.

The National Council for Sustainable Development and the National Climate Change Committee expect improved access to scientifically based knowledge, capacity development, technology transfer, and climate finance from international cooperation, facilitated by an ambitious Paris agreement.

Cambodia currently works on its INDC (Intended Nationally Determined Contribution) and plans to submit its low carbon strategy before Paris. Despite its extremely low level of CO₂ emissions (4 million tons CO₂ per year, i.e. 0.25 tons per capita), the country is committed to switch to a low carbon pathway, provided that its contribution is considered as a voluntary one and that countries capable to do so support Cambodia respectively.

¹¹ Cambodia Climate Change Response Strategic Plan 2014-2023, National Climate Change Committee, Government of Cambodia, p.10

¹² Ibid

¹³ Ibid

¹⁴ Ibid

In general the Cambodian government as well as civil society endorse LDC positions, in particular the 1.5°C related long-term goal. Accordingly, all major emitters are expected to present INDCs consistent with this ambitious long-term goal. In terms of climate finance, Cambodia calls for accelerated access and a specific LDC quota. Rich non-annex 1 parties are also expected to stepwise provide climate finance and support. Scaled up capacity building is another key ask. Regarding loss and damage, the view is shared that economic losses should be systematically captured and reported in one single format.

Cambodian government and civil society by and large consider the LDC group as their political home in climate talks. The same is true, in lesser degree, for G77 + China. Inter alia, AOSIS and the EU are considered as potential allies.

Key LDC positions

Long-term goal / general objective: The LDC group calls for a 1.5°C temperature goal, to be operationalized by phasing out carbon emissions, in accordance with science.¹⁵ The IPCC 5th Assessment Report suggests that zero net emissions are to be achieved by 2050, if global average temperature increase should be kept below 1.5°C with a probability of at least 50%.

Adaptation goal: The LDC group calls for an adaptation goal to foster climate resilience and to balance mitigation and adaptation in the Paris agreement; the adaptation goal shall be linked up with mitigation ambition and the provision of support, including financial support, i.e. “adequate, predictable, new and additional financial resources for adaptation”.¹⁶

Legal form: The LDC group calls for a Protocol, applicable to all, but with differentiated commitments reflecting special circumstances of LDCs and SIDS adequately.

Mitigation: The LDC group asks all major emitters to raise the level of ambition consistent with the 1.5°C temperature goal, with level, scopes and types of commitments differentiated according to the Equity Reference Framework.¹⁷

Adaptation and loss and damage: LDC group calls for strengthening the Adaptation Committee, the NAPs, the financial support of adaptation (including benchmarks) and a stronger institutional framework to address loss and damage, ensuring compensation of losses beyond adaptive capacities, with an own funding mechanism.¹⁸

Finance: At least \$ 100bn per year by 2020, new and additional, earmarked adaptation & LDC quotas, with fast and preferential access and contributions of all rich countries.

Transparency of action and support: Transparency and accountability rules and principles to be strengthened to avoid ‘free riders’ and to maximise ambition and fairness.¹⁹

Time frames and procedural issues: Periodic review in 5 year cycles.

Facilitation of implementation and compliance: LDC group calls for a mechanism to technically review and assess implementation of commitments, leading to incremental ratcheting up of commitments, not allowing back-sliding.²⁰

Pre 2020 ambition: LDC group urges developed countries to increase their inadequate pre2020 ambition, to track progress and to use and support short term options like renewable energy deployment and phasing out fossil fuel subsidies.²¹

¹⁵ Key technical and political issues for the LDCs under the ADP, LDC Paper Series, Pa Ousman Jarju & Tim Gore, 2013, p.1

¹⁶ Ibid

¹⁷ Differentiated mitigation commitments in a new climate agreement, LDC Paper Series, Niklas Höhne et al, 2014

¹⁸ Developing an Institutional Framework to Address Loss and Damage, LDC Paper Series, Erin Roberts et al, 2014

¹⁹ Key technical and political issues for the LDCs under the ADP, LDC Paper Series, Pa Ousman Jarju & Tim Gore, 2013, p.1

²⁰ Differentiated mitigation commitments in a new climate agreement, LDC Paper Series, Niklas Höhne et al, 2014

²¹ Ibid

Policy options to achieve the best possible outcome

Long-term goal

Agreement on a defined long-term goal is crucial to guide parties in stepping up their commitments, and to measure progress. While the 2°C temperature goal is already widely accepted, the more ambitious 1.5°C temperature goal, proposed by Cambodia and the LDC group, isn't²²: it can count on the support of LDCs, AOSIS and the African group, whereas it is unlikely to be accepted by the other countries, in particular major emitters. Common landing ground could be to define only a range for the temperature goal, i.e. 1.5/2°C as it was done in the past in many CIP decisions.

A temperature goal to become politically operational should be accompanied by a de-carbonization goal with a defined time horizon. Otherwise it will be very difficult to translate mitigation into concrete targets. A concrete de-carbonization goal preferably calling for achieving “net zero emissions” by a given deadline should become a key demand of Cambodia, proving that the country takes the temperature goal really serious. It could be rightly argued that Cambodia has a responsibility to reduce the extreme risks of uncontrolled temperature increase the Mekong River Basin in particular is facing.

It is unlikely, however, that parties will agree by consent on a de-carbonization goal with a science based timeline, which would be coherent with 1.5/2°C, i.e. 2050/2070: Both the Arab group, Umbrella group (led by the U.S.), BASIC and the Like Minded Group (LMDC) would probably oppose such a step, whereas AOSIS, AILAC, African Group and EU would probably grant support.

A possible middle ground could be to agree on achieving net zero carbon emissions, without mentioning a timeline, or, more preferably, including a reference to the IPCC when it comes to the definition of timelines. A COP decision could be added, calling to discuss the timeline in the first review, e.g. 2025. The advantage of such a step would be to firmly anchor “net zero carbon emissions” as precise and appropriate definition of mitigation ambition (more precise than “de-carbonization”) in the Paris agreement. Accordingly, a clear signal would be sent to all stakeholders about the general course, but the specification (i.e. timeline) would come later. This wording should be discussed in Cambodia, within the LDC group, and with potential allies in another step.

²² According to scientific calculations, the remaining carbon budget, which can be emitted until average temperature is increased by 1.5°C, is only 243 bn tons. At current annual emission levels of 40.3bn tons, the remaining budget will be spent within just six years. This shows how ambitious the 1.5°C temperature goal is. For further information see <http://www.carbonbrief.org/blog/2014/11/six-years-worth-of-current-emissions-would-blow-the-carbon-budget-for-1-point-5-degrees/>

Periodic review to incrementally scale up commitments and actions

It is very unlikely that major emitters will scale up their climate commitments to the levels needed before Paris. Accordingly, agreement on a long-term goal without an implementation mechanism is unlikely to deliver. It would be advisable to strongly call for a periodic review mechanism as key instrument of the core agreement to achieve the long-term goal. While it is not at all likely that such a review mechanism would be equipped with a sanctioning mechanism or could enforce parties top down to scale up their commitments over time, the mechanism would still make a huge difference as compared with a “pledge without review” arrangement: The UNFCCC Secretariat could be mandated to conduct a science-based review, comparing in 5 years cycles the achieved cumulative emission reduction with the 1.5/2°C emission trajectory as laid down in the latest IPCC assessment report. Based on the results of the review, all Parties would be requested to incrementally ratchet up their nationally determined contributions, in accordance with the Rio principles and specific national circumstances, and commonly aiming at closing the emission gap as soon as possible but not later than 2070, in accordance with IPCC. Backsliding would be prohibited.

Such a mechanism does not provide a guarantee to stay below 1.5°C/2°C, but is a pre-condition to do so. It is in accordance with the LDC positions and has the principal support of AOSIS, AILAC, African group and the EU. The members of the Environmental Integrity Group and the U.S. as well seem to support a review and it will be difficult for others to finally reject or completely water down such a mechanism. To ensure its integrity and to avoid free riders, it would be extremely important to ensure that the review is applicable to all. In view of their special circumstances, certain exemptions could be granted to low-income countries, for the time being.

Transparency and accountability of action and support

In order to ensure transparency and accountability of action and support, including fairness and equity, the core agreement should include a formalized transparency framework: this should at least define common principles, applicable to all Parties, how to periodically measure, report and verify the implementation of nationally committed mitigation action and the provision of support, leading to country reports every two years, following a similar formal structure and criteria, which are to be elaborated by assigned national expert institutions and verified by independent technical experts, mandated by the UNFCCC secretariat. Country reports should be duly considered in reporting sessions of a specialized body under the new agreement, as part of the new above mentioned review. Transparency and accountability are pre-conditions for a science based periodic review, to avoid non-compliance, to address remaining gaps, and to finally mobilize the maximum of ambition

needed to stay below 1.5/2°C. Without transparency, a review and a long-term goal are likely to become ineffective.

It is a huge concern of Cambodia, as of other LDCs and SIDS, not to be able to meet the required standards and to be overburdened by setting up the institutional setup needed. It should be argued by Cambodia, even making it to a red line, that the special needs and situations of least developing countries, small developing island states and other low income countries should be fully taken into account by accepting a longer transition period until the first country report is due, and by ensuring the provision of the necessary financial and technical support to build up the institutional capacity and reporting requirements.

It is obvious that many major emitters but in particular some if not most of the emerging economies, as well as oil-exporting states and the LMDC, attempt to avoid similar transparency rules applied to them similarly as to developed countries. They argue with a conservative interpretation of the Convention, partly reject the argument that responsibilities and capabilities evolve over time, and push to extend the differentiation between annex 1 and non-annex 1 countries in the post 2020 agreement. In view of the fact that the cumulated emissions of the 7 biggest emerging economies (E7) for 1990 – 2030 are expected to be almost the double of the emissions of the 7 biggest industrialized countries (G7) it becomes obvious, that the 1.5/2°C goal can only be achieved with rules applicable to all. The potential role of LDCs and AOSIS in achieving this is strategically crucial: It is not likely that climate ambitious industrialized countries – first and foremost the EU – will achieve robust transparency rules without strong support of the climate vulnerable countries. LMDC and emerging economies on the other hand would have difficulties to push for weak transparency rules against the expressed wish of climate vulnerable countries.

It is not likely, that all technicalities can be already clarified in Paris. Therefore, by a separate COP decision, a work program should be established to develop the details of the future methodologies to measure, report and verify (MRV) compliance with commitments.

With regard to the provision of financial support and other means of implementation, as expected from developed countries and other countries capable to do so, transparency and accountability should be ensured as well, by regularly reporting, along similar standards, about the support provided, be it as part of the reports on mitigation action or be it separate and in addition to them. A transparency and accountability framework is as well considered as crucial with regard to the provision of support at national level, including in interactions between the government, private actors and civil society.

Cambodia and the LDC group have high expectations to substantially strengthen adaptation and loss and damage as integral part of the Paris package, fostering low carbon climate resilient development and reducing climate risks to the minimum possible.

It is advisable to maintain the strong call for a long-term climate adaptation and resilience goal as integral part of the core agreement. It is proposed to call for a qualitative rather a quantitative adaptation goal, committing all Parties in accordance with the principles and provisions of the Convention, of the Sendai Framework for Action, of the Universal Human Rights Declaration and of the SDGs, to increase climate resilience by systematically assessing and reducing climate risks, adapting to climate change impacts, and reducing vulnerability. In addition, the long-term goal should commit developed countries and other parties in a position to do so to provide financial, technology and capacity building support to those Parties, which are overburdened by managing adverse impacts of climate change.

To back up such a long term adaptation and resilience goal, its implementation should be supported by the provision of all countries to develop, implement and support National Adaptation Plans, including systematic climate risk assessments and building, where appropriate, on the current transition progress from NAPAs to NAPs.²³ The results of national adaptation action should be regularly assessed and documented in national adaptation reports. This would help Cambodia to design monitoring and evaluation structures as described in the Strategic Plan of Rural Development for Climate Change Adaptation 2013-2022²⁴. Adaptation efforts should be supported by effective policy frameworks and institutions, inter alia the Adaptation Committee. Such a qualitative adaptation goal could be achieved, whereas it is unlikely to get a quantitative adaptation goal, i.e. including quantified provisions of adaptation support approved against the declared will of all developed countries, i.e. the main donors. That doesn't necessarily mean, however, to give up the ask for earmarked financing of adaptation: as the Green Climate Fund rules demonstrate, it is possible to agree on a minimum financial quota for LDCs as well as on an adaptation quota.

Other than adaptation, loss and damage is one of the most controversial crunch issues: the LDC group explicitly and vocally calls for compensation, whereas this ask and even the term as such is a definite red line for industrialized countries. As a middle ground, the following package seems to be achievable, provided that LDCs and AOSIS support the EU and industrialized countries on transparency, as discussed before.

²³ <https://ldclimate.files.wordpress.com/2014/03/updated-napas-and-naps1.pdf> page 1, 2, and 3.

²⁴ Government of Cambodia (2012). Strategic Plan of Rural Development for Climate Change Adaptation 2013-2022. Ministry of Rural Development. Phnom Penh, Cambodia

Firstly, the core agreement, in its introduction, or in the section defining challenges and objectives, should recognize increasing climate risks and related losses as another key challenge in view of achieving the ultimate goal of the Convention. That does not place loss and damage explicitly below or beyond adaptation, as another sensitive question, but recognizes its relevance, as rightly asked for by Cambodia and others.

Secondly the core agreement shall explicitly refer to the Warsaw International Mechanism (WIM) on loss and damage²⁵, appreciating that this mechanism is a key instrument to address loss and damage and that it deserves continuous and long-term attention and support, to be stepped up over time in order to fulfill its three main functions. By doing so, the WIM would be recognized and firmly anchored in the core agreement.

Thirdly, and through a COP decision, parties agree to develop and launch a support program, on request of the WIM, further strengthening its institutional capacity to fulfill its three main functions. Such a decision would address the obvious weakness of the WIM, which is bold by name and weak by institutional capacities, due to the lack of resources.

Fourthly, the COP presidency should be urged to include approaches aiming at reducing climate risks and climate induced losses, including risk prevention, reduction, rehabilitation and compensation (inter alia via insurance schemes), in the Paris climate solutions agenda, which will probably result in a bunch of initiatives and programs, launched to close climate gaps and to support the implementation of the core agreement and COP decisions.

Mobilization of climate finance, technology transfer and capacity building

Cambodia has a significant interest in receiving more international support to strengthen its own strategies. Cambodia would therefore benefit from an expanded approach to climate finance, capacity building and technology transfer, using a range of instruments.

Ensuring predictable, adequate and sustainable long-term climate finance of at least \$100bn per year by 2020 the latest, provided by developed countries and other countries in a position to do so is a priority of LDCs and G77 and China.²⁶ Developed countries and the COP presidency in particular understand the high relevance of the finance issue to achieve a meaningful Paris outcome. Cambodia should urge developed countries in particular to demonstrate leadership and proof how they will scale up their support, including in terms of capacity building and technology transfer. It might be advisable to follow a two-track

²⁵ The Warsaw International Mechanism (WIM) was established at COP 19 in Warsaw (2013) by COP decision 2/CP.19, mandating the WIM to “...fulfill the role under the Convention of promoting the implementation of approaches to address loss and damage associated with the adverse effects of climate change, (...) in a comprehensive, integrated and coherent manner

²⁶ https://ldclimate.files.wordpress.com/2013/12/ldcp13_adp.pdf page 7

strategy: firstly, together with G77 and China the pressure on developed countries should be prolonged to commit to a roadmap how to mobilise the \$100 bn by 2020. On a second track, and in cooperation with LDCs and SIDS, particular support of developed countries to those vulnerable countries could be requested.

In terms of the strong LDC demand for “new and additional” funding, i.e. additional to ODA, it is not very likely to succeed substantially in Paris: all developed countries account most if not all of the climate finance provided as ODA and it is not at all likely that they will change this approach in Paris. As a first important step, however, transparency of international climate finance could be improved, including an agreed definition of climate finance, the distinction between public and private climate finance as far as it is accounted under the \$100bn commitment, and maybe even agreed principles. Apart from World Bank and other international development banks, who have an expressed interest in clarification on climate finance, Germany is a potential ally, with an expressed interest to improve transparency on climate finance.

The need for improved capacity building for good reasons ranks high on the Cambodian list of priorities but is unfortunately not placed as high on the Paris agenda. To address this gap, it is recommended that Cambodia include its specific capacity building requirements in its INDC. Likewise, neighbouring countries and other LDCs could be encouraged by Cambodia to do the same. This would help to increase the political relevance of this issue and could help Cambodia to find support to address its respective gaps.

Closing the pre-2020 ambition gap

According to the view of the LDC group and backed by science, a global emission peak year before 2020 is crucial to maintain a realistic chance to stay below 1.5/2°C.

It is not very likely that major emitters will ratchet up their commitments before, during or immediately after the COP 21 as requested by LDCs to close the gigaton gap by 2020²⁷ – and the risk is even high that climate change disappears from the political priority list in the years to come, once the Paris agreement is reached. In order to avoid this risk, and to maintain the pressure needed, Cambodia and the LDC group is recommended to continue to urge parties, but in particular developed countries and other major emitters, to increase their pre 2020 commitments, to take supplementary measures, and to provide enhanced means of implementation to developing country mitigation action. This might lead to the launch of additional initiatives and political declarations. On top of that, Cambodia and the LDC group are encouraged to call for a strong COP decision, requesting all Parties to take additional action to close the pre-2020 gap. In order to assess and monitor respective progress and to ensure the necessary political attention, the proposed COP decision should include the continuation of annual ministerial meetings under ADP work stream 2.

²⁷ https://ldclimate.files.wordpress.com/2013/12/ldcp13_adp.pdf, page 2

Annex

About the authors

Mr Thomas Hirsch, German geographer and political scientist, founder of Climate & Development Advice, more than 20 years of experience in climate, environmental and development policies; started his career as university teacher and policy adviser; held leading positions in international development, environmental and human rights organisations; adviser of global ACT Alliance

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Mapping of key country groupings in the UNFCCC process

MAPPING OF KEY COUNTRIES, THEIR MOTIVATIONS & PRIORITIES

| COUNTRY GROUP | Rules based system | Mitigation ambition | Finance ambition | Resilience ambition |
|---------------|----------------------------------|---------------------|----------------------------------|---------------------|
| CHINA | Pledge no review | Low ambition | To stimulate South-South funding | Low ambition |
| U.S. | Pledge no review | Low ambition | To boost private investments | Low ambition |
| EU | Rules based system | Medium ambition | Medium ambition | Low ambition |
| LDC | Concerned not to be able to cope | High expectations | High expectations | Priority |
| AOSIS | divided | High ambition | High expectations | High expectations |
| AFRICAN GROUP | divided | No priority | Priority | Medium expectations |
| AILAC | Rules based system | Medium ambition | Medium ambition | Medium ambition |
| BASIC | divided | divided | Annex I to deliver | No priority |
| LIKE MINDED | Maintain firewall | Annex I to act | Annex I to deliver | Annex I to deliver |

Source : Thomas Hirsch, Climate & Development Advice

Cambodian expectations vis-à-vis key groups

Least Developed Countries – LDC group

LDCs are one of the strongest proponents of having an ambitious deal at COP21. They are also the ones who support a top down science based pathways to be agreed at CoP21.

Emerging economies – BASIC group, Indonesia, Mexico and others

Cambodia believes that the emerging economies should take up the challenge of enhancing their mitigation targets from the current levels. It is believed that countries like Singapore, Qatar, South Korea are capable of increasing their commitments in reducing GHGs and they should commit so in COP21 to make it a success. Countries like India who are both capable

and have development challenges should also increase their ambition from the current level. This would help G77 and China to increase pressure on developed countries.

South East Asian Countries

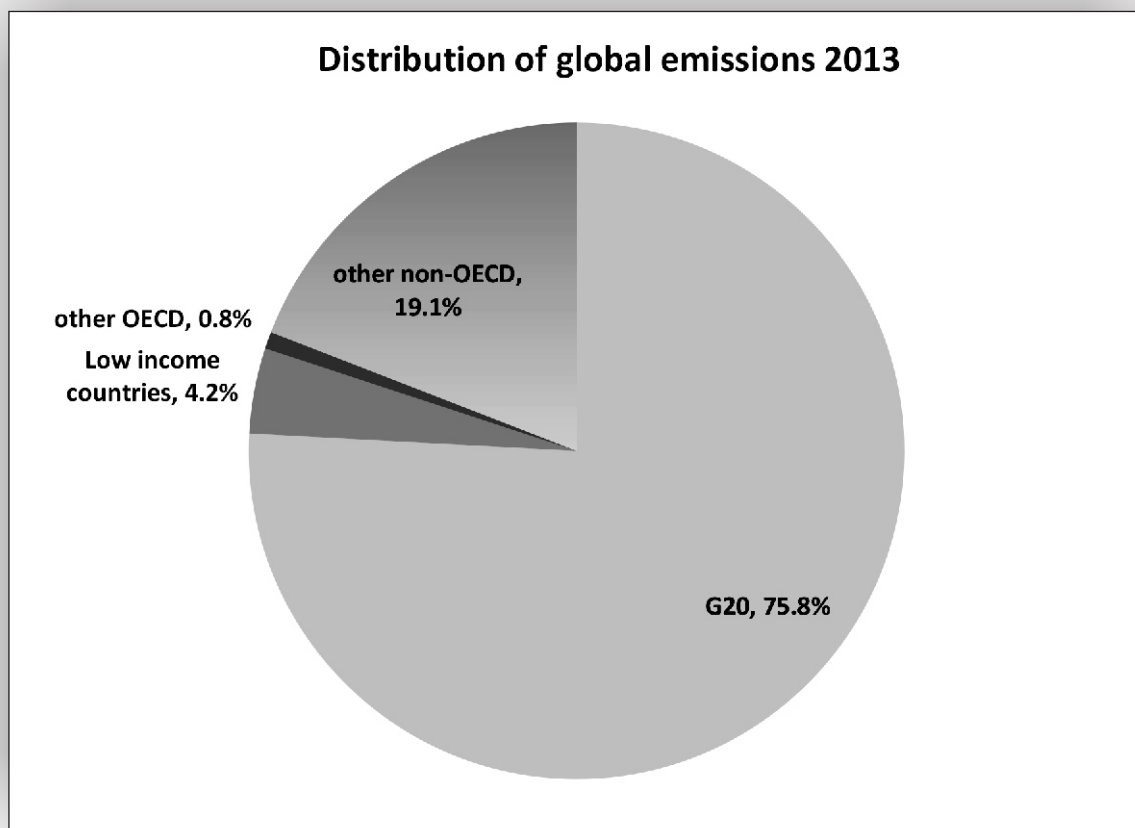
The ASEAN group, which covers the South East Asian countries, is an observer group to the UNFCCC. Cambodia is of the view that ASEAN should collaborate and work towards an ambitious deal at Paris. That would also facilitate increased regional collaboration. Due to common interests in issues like adaptation, loss and damage, and low carbon development, the countries could develop common strategies

European Union

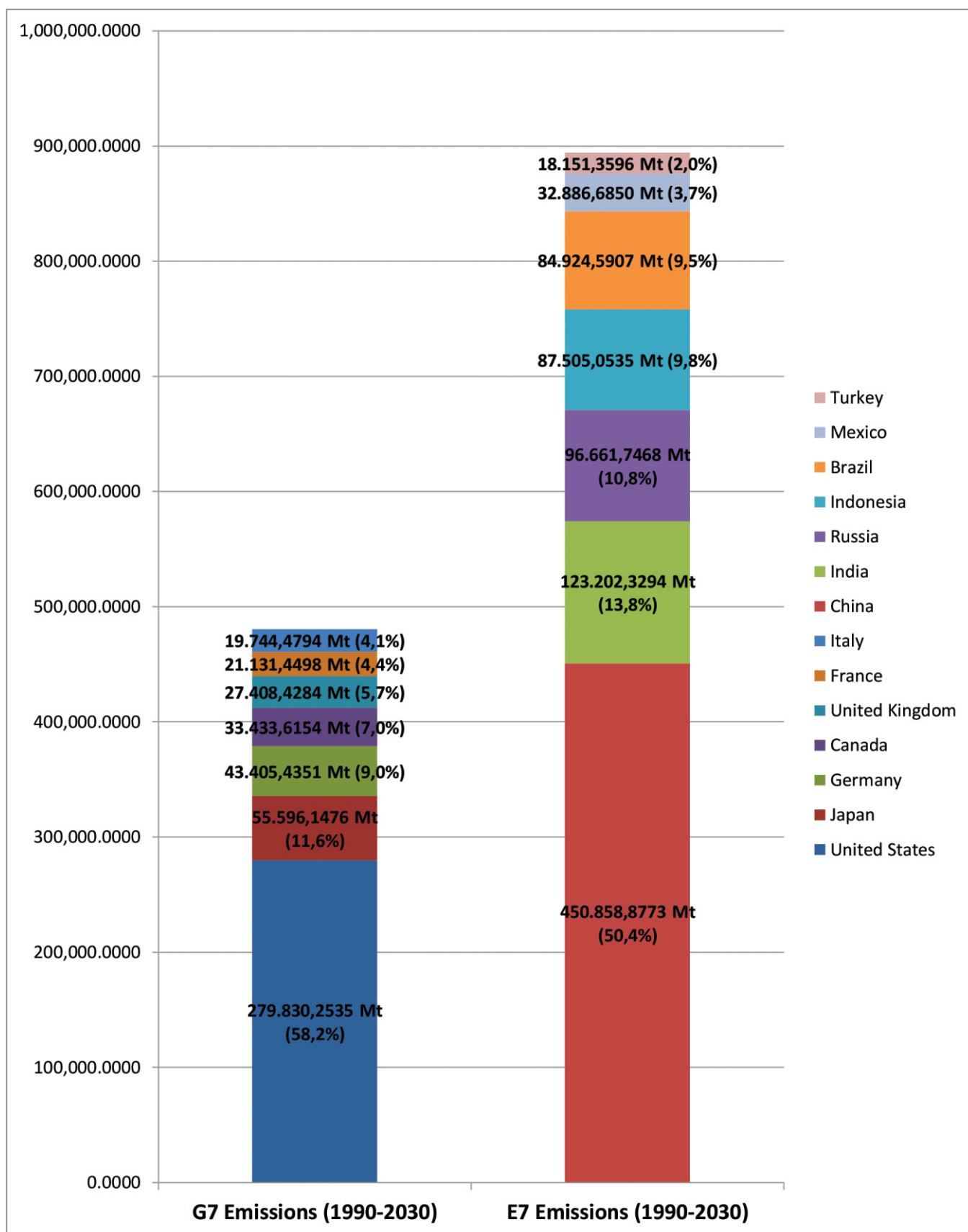
Cambodia considers the INDC of the European Union as not ambitious enough. Cambodia expects the EU to unilaterally increase its targets to initiate an upward moving spiral of ambition.

U.S.

Cambodia expects the U.S. to do more. The INDC is considered inadequate in view of what is required to stay below 1.5°C. The same is true with regard to climate finance. Cambodia believes that a move of the U.S. could trigger a much more ambitious deal.



Source: Thomas Hirsch, Climate & Development Advice





វេទិកាសម្រាប់ការងារមិនមែនរដ្ឋាភិបាល ស្តីពីកម្ពុជា
The NGO Forum on Cambodia
ធ្វើការរួមគ្នាដើម្បីការប្រសើរឡើង
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