

Submission by Nepal on behalf of the Least Developed Countries Group on implementation of all the elements of decision 1/CP.17 (b) matters related to paragraphs 7 and 8 of the ADP

The Least Developed Countries Group (LDC Group) welcomes the invitation to submit information, views and proposals on the implementation of all the elements of decision 1/CP.17 matters related to paragraphs 7 and 8 (ADP Workstream 2).

The LDC Group considers enhanced, effective and efficient actions to close the mitigation gap before 2020 as critical. Both decisions 1/CP.17 and the ADP decision in Doha noted with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases (GHGs) by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 1.5° C above pre-industrial level by 2100. Closing the emissions gap by 2020 is of paramount importance for a sustainable emission pathway.

However, the current trend of global emissions is too high and by 2020 it will further escalate climate impacts, losses and damages for the LDCs affecting livelihoods, infrastructure and the wellbeing of our people, societies and ecosystems. The findings of the United Nations Environment Programme (UNEP) Emissions Gap Report 2012, referred to by many Parties during the roundtable discussion in Doha, estimates the current emissions gap between 8 and 13 GtCO₂eq. The LDC Group supports UNEP recommendations that are technologically and economically feasible to bridge this gap by implementing several actions, including replicating and scaling up initiatives that have proven to be successful in other countries.

The LDC Group is concerned that negotiations under this Workstream during 2012 yielded little progress and gave no concrete assurance that speedy actions will be taken to enhance mitigation ambition before 2020. The plan of the work of ADP Workstream 2, adopted in Doha, needs further improvement to ensure the highest possible mitigation efforts by all Parties. In Doha, Parties failed to take decisive action, through a COP decision, to increase the level of ambition. A similar lack of ambition from developed countries was also observed in the Kyoto Protocol's second commitment period. The current trend in the negotiations is not giving clear signals that the world will achieve the emission reductions of 25–40% by 2020 as indicated in the IPCC AR4.

During the Doha roundtable of Workstream 2, the LDC Group reiterated the fact that the current level of action is not sufficient and that enhanced action is essential to close the ambition gap. Pre-2020 action is essential to ensure a trajectory of lower emissions by the time the new global climate agreement comes into effect. Multiple lines of scientific evidence support this imperative and this means that all Parties must act with urgency. Therefore, the LDC Group:

- Calls on all Parties, in particular Annex I parties, to show political commitment, leadership and willingness to explore a range of options to increase the level of ambition for the pre-2020 period with all Parties contributing to this global effort;

- Reiterates that, in 2013, the ADP Workstream 2 should urgently address all the tasks needed to fulfil its mandate. Its work should be more targeted to raise the ambition of developed countries to reduce emissions, and should be informed by the latest science, including national, regional and international studies on the technical and economic potential for emission reductions in all regions, particularly in relation to closing the 2020 emission gap;
- Calls on Parties to agree on a clear work plan which includes a technical and political phase to implement actions in 2014, as early as possible in 2013. At the end of 2013, the work done under this Workstream should lead to a decision that delivers a robust and enhanced mitigation and real action. At the core of the issue is the need for countries to increase the level of their own domestic action to reduce emissions of long-lived GHGs such as carbon dioxide, nitrous oxide, fluorocarbons and methane through a variety of measures summarised below. In addition, there are several issues on which international co-operative initiatives may yield significant benefits by 2020, including hydrofluorocarbons (HFCs);
- Calls on Parties to agree on a clear plan for ministerial involvement in 2013 and 2014 with a focus on the high-level meeting proposed by the UN Secretary General to agree upon the real measures for closing the emissions gap by 2020;
- Calls on Parties to establish contact groups for ADP Workstreams as proposed by our group's submission of 18 August 2012. These contact groups should be flexible in terms of reporting and meeting arrangements. This will ensure a more focused discussion that can deliver urgent action. We believe that the workshop on increasing mitigation ambition was useful and that experts, for example, those involved in the preparation of UNEP Emissions Gap Report, should be requested to provide updates.

Regarding the points highlighted in the ADP work plan under this Workstream, the LDC Group would like to share the following initial thoughts:

Mitigation and adaptation benefits, including resilience to the impacts of climate change

The LDC Group reiterates that climate change continues to impact our countries, so urgent actions are needed to be taken through a global effort to reduce GHG emissions. The 2012 World Bank report shows that “a path towards 4°C implies major damages to developing countries”. Despite the focus of this Workstream on mitigation, adaptation remains a top priority for the LDC Group in global climate actions, and this Workstream should not overlook the synergies between these two approaches. Despite significant differences between mitigation and adaptation, we also need to look at clear common ground between them. LDCs firmly believe that ultimately it is mitigation that determines the level of adaptation in the future.

Acknowledging the trade-offs and complexities of comprehensive climate protection planning, the LDC Group urges Parties to continue to further the understanding of the linkages between mitigation and adaptation, and assess how to evaluate the effects of particular mitigation actions in order to ensure that any action taken to promote and enhance mitigation does not undermine adaptation benefits. Therefore, mitigation actions and measures to achieve effective GHG

reductions that can also work synergistically to contribute to enhancing resilience to limit climate change impacts should be prioritized. These actions are more resilient to current and future climate impacts, and could contribute to emission reduction to avoid worsening such impacts in future. In this regard, clean energy and energy efficiency initiatives seem to be prominent. Some examples of actions on which clear decisions could be made by COP 19 include:

- Implement effective policies now so that global emissions by 2020 are firmly on the pathway consistent with the renewable energy and energy efficiency objectives of the UN Secretary-General's "Sustainable Energy for All" initiative due by 2030.
- The World Energy Outlook 2012 estimates that if the full short-term potential in energy efficiency and renewable energy use is tapped, global emissions by 2020 will decrease by roughly 5 GtCO₂eq. The associated more efficient allocation of resources means that investments in such measures pay back in 3 to 14 years.
- Reduce and eliminate subsidies for fossil fuels by major emitters, with the potential to decrease global CO₂ emissions by about 2 billion tons by 2020 while ensuring no net incident on developing countries.

Barriers and ways to overcome them, and incentives for actions

There are a number of barriers to increasing mitigation actions that will likely undermine progress towards achievement of effective reductions pre-2020. These barriers are financial, investment related, sectoral or structural. However, the identification, analysis and prioritization to address these barriers should be tailored to actions undertaken, taking country specific circumstances into account. Under such circumstances, the best incentive is for all countries to act together. The confidence that one's actions will be reciprocated by others' actions can provide a greater assurance for Parties.

Finance, technology and capacity-building to support implementation

Finance, technology, and capacity-building to support implementation of mitigation actions are an essential part of the work of this Workstream. Sufficient financing is needed in particular for those countries that need it the most for allowing them to realize their greatest potential to engage in the global effort. This discussion should not be seen as duplicating the overall discussion on provision of the means of implementation for the period pre-2020. However, a clarification is needed on the ways to ensure developing countries that really need support to undertake mitigation efforts. In particular, the impact trajectory extends beyond 2020 but the means of implementation remain unclear to achieve the intended objectives of the Convention.

Although the main goal of the ADP Workstream 2 is to raise the level of mitigation ambition pre-2020, negotiations on means of implementation under this Workstream (i.e. provision of finance, technology and capacity building support) could apply to the overall context of ADP. Three main justifications can be presented to discuss means of implementation under ADP Workstream 2: (a) enhanced support is needed for enhanced ambition, (b) enhanced ambition will contribute to increased revenue for climate finance, and (c) predictability is needed for both

mitigation targets and financial support. Areas for direct discussion on finance under ADP Workstream 2 therefore remain limited¹.

Furthermore, the LDC Group is of the view that increasing the level of mitigation ambition will have a positive impact on the availability of funding that can be generated from existing policy mechanisms in place on international and national levels. In this regard, there is a need for an assessment of how an increased level of mitigation ambition and the implementation of regional, national and international mechanisms while ensuring minimal stress on developing countries' economies could contribute towards increasing climate finance. Questions that might be of particular interest to assess could be:

- What are the additional volumes for climate finance that could be generated through emission trading schemes if a higher level of ambition will be achieved?
- How will an increased level of ambition raise the revenue for the Adaptation Fund through the levies that have been adopted for the second commitment period of the Kyoto Protocol?
- How can the phase out of fossil fuel subsidies in developed countries contribute to new and additional public resources for climate finance and what will be the volume of funding that can be expected?

The LDC Group is of the view that an increased level of mitigation ambition with committed targets will be instrumental in unlocking the envisaged investments by private sector in low emission programmes and projects. The LDCs would like to point out the contradiction between low ambition by the KP Parties and no comparable emission reduction commitments by the non KP industrial country Parties and their desire for enhanced role for market mechanisms. It is an accepted fact that without firm and binding commitments to enhanced mitigation ambition, private sector and market mechanism will never be able to play their potential role.

Another important issue to consider would be improving the work plan of the Workstream 2 so as to maximize progress on climate finance and avoid blocking discussion on mitigation action, including, through a broad debate on means of implementation.

The LDC Group remains committed for negotiations under ADP. We look forward to fruitful deliberations in Bonn leading to strong outcomes at COP 19 and beyond.

1 March, 2013.

¹ By extending the Work Programme on Long-Term Finance, COP 18 assigned a dedicated space for advancing discussions on identifying pathways and milestones for scaling-up finance by 2020. Countries should therefore focus efforts and push for practical and concrete recommendations as outcome of the Work Programme at COP 19. Such an outcome should strongly feed into the negotiation process. Furthermore, at COP 19 a ministerial dialogue will provide political guidance regarding progress in the mobilization of climate finance and should send political signal that there will be no gap or reduction in the provision of support to developing countries. Providing certainty on support to be provided up to 2020, including in the form of an intermediate target for finance over the next few years is an essential factor for developing countries to engage into ambitious mitigation actions, while ensuring robust MRV system for climate finance will help in building confidence amongst Parties.