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# Environment and Energy Commission

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## **UNFCCC – Negotiating Texts as of Barcelona “Rough Guide for Business”**

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## Background: Status of post 2012 UNFCCC negotiating texts

- As of November 8<sup>th</sup>, KP nor LCA texts are not as advanced as limited time left before Copenhagen would suggest is necessary
- Fewer pages, same number of difficult issues
- Complicated and dense texts – many contradictory and interlinked parts
- Numerous new institutions, funds and mechanisms proposed
- Everything is bracketed – nothing agreed until everything agreed
- Text proposals from Barcelona will be merged into one text for Copenhagen
- Issue of merging tracks controversial (demise of Kyoto)
- Role of forestry and offsets critical for Developed countries
- Legal form of COP15 outcomes not clear – different proposals with different ratification/entry into force implications
- At any point, a “back pocket” text might emerge

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## Kyoto Protocol Negotiating Texts (as of Barcelona)

- **Ad-hoc Working Group on the Kyoto Protocol (AWG KP) “non papers”**
  - Potential Consequences
  - Scale of Emissions Reductions by Annex 1 Parties (Aggregate and individual)
  - LULUCF
  - Emissions trading and the project-based mechanisms
  - Greenhouse gases, sectors and source categories
- **Prior documents**
  - The KP itself
  - Amendments
  - List of Proposals
  - Other issues



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## Negotiating Texts: Ad Hoc Working Group on Long Term Cooperative Action (LCA), as of Barcelona

### ALL TEXTS STILL ON TABLE AND OPEN FOR COMMENT

- **Compiled and Consolidated Texts:**
  - “Inf” 1 – 199 pages of compilation
  - “Inf” 2 – 170 pages post-consolidation in Bonn
- **Non Papers:**
  - Shared Long-term Vision - #52
  - Adaptation - #53
  - Mitigation - #28 (overview); #50 (dev’ed country commitments); #51 (dev’ing country commitments); #39 (REDD); #49 Sectoral approaches; #42 (market mechanisms); #44 (economic and social consequences)
  - Technology – #47
  - Capacity Building -#46
  - Financing - #54

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## Non-Papers: Looking ahead to Copenhagen

- Copenhagen negotiations will merge the discussion on the thematic non-papers into a single Contact Group
- More closed sessions as negotiators “negotiate” likely will make business monitoring and influence more challenging
- Not clear how LCA non papers will be reconciled and linked (horizontal and preambular matters)
- Many common issues across KP and LCA
- KP negotiations are “way behind” schedule



## Business Issues in LCA non papers (1)

### Mitigation

- Targets and timetables
- MRV and compliance
- Content of NAMAs
- Sectoral Approaches
- Market mechanisms
- REDD and offsets

### Adaptation

- Role of private sector
- Insurance



## Business Issues in LCA non papers (2)

### Technology

- Definition of EST
- MRV of tech. transfer
- Positive/negative lists
- Intellectual Property Rights
- Institutions (regional centres, technology panels)

### Finance

- Roles of public and private sector funding
- Private sector investment
- Sources of funding
- Scale of wealth transfer
- New institutions



## Business issues in LCA non papers (3)

### Shared Long Term Vision

- New concepts: historical responsibility, carbon debt, carbon space, compensation **all could establish long standing precedents**
- Medium and long term objectives
- Broader issues beyond climate change (food security, water, etc.)
- Review



## Conclusions

- Probably too late to complete “legally-binding” treaty in Copenhagen
- Can expect a “grand political deal” which will be finalised end-2010
- Business influence now limited as negotiations will move away from the thematic discussions
- Future process indicates much more business involvement (e.g. institutions)