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## **POLICY BRIEF**

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## 2B continued... The outcomes of the Warsaw Climate Conference and implications for Paris 2015

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he Warsaw climate conference (COP19) succeeded in setting a pathway towards the Paris climate conference in 2015, where states should strike a new global climate deal. Yet it showed how long and difficult the road will be. Fundamental questions remain unanswered requiring high level political engagement.

In Warsaw, countries all agreed to a timeline for developing and submitting new emissions reduction commitments. This should be done "well in advance" of the Paris conference, "by the first quarter of 2015 for those parties ready to do so". This is important. It sends a powerful signal that countries need to begin preparing their offers for Paris. And that they need to be as ambitious as possible: the world will have ample chance to examine what they propose. For the EU, this signal should support taking political decisions on the post-2020 climate and energy framework at the March 2014 council.

The timeline for the submission of draft commitments is somewhat vague: "by the first quarter of 2015 for those parties ready to do so". But early 2015 is the only possible window for the US: after the midterms but before US presidential campaign. If the EU also gets its house in order, it will be politically impossible for other major players not to step up as well in early 2015.

Warsaw could not decide on a formal process to review commitments in 2015. But the most important thing is that commitments come forward early. The army of researchers and non-governmental organisations will be ready to assess them; the negotiators will have to do something (we hope) between the first quarter of 2015 and the Paris conference. So the commitments will be looked at in some form or another.

Secondly, the current absence of an agreed review under the UNFCCC opens the way for complementary review options, e.g. under the Major Economies Forum or elsewhere, feeding into the UNFCCC to ensure sufficient clarity and ambition of commitments.

Countries were only able to secure agreement on this timeline because of concessions on the nature of the initial emission reduction offers. The original language "commitments" was weakened in the final hours to "contributions". This needs to be seen in context.

For the first time ever, negotiations are aiming at adopting mitigation commitments from all countries, with the same framework for developed and developing countries. At this stage, major emerging countries were simply not ready to accept the word "commitments", which has a very precise, binding legal meaning, without more clarity on the nature of the whole regime. The door is not closed to binding commitments; there is still time to negotiate on this point.

But there remains much work to do on clarifying the legal nature of the regime; the experience of Copenhagen shows that the technical level negotiations are generally unable to answer such fundamental questions. The incoming presidencies, Peru and France, thus need to ensure an effective and transparent dialogue between the technical negotiations under the UNFCCC and higher level political discussions in the run up to Paris.

In order to secure this weakening of "commitments" to "contributions", major emerging countries played an effective tactical game. In the final hours, they inserted references to articles (article 4) of the Convention which establish the black and white distinction between developed and developing countries. This is clearly a red line for the US and EU, who hope to evolve the regime towards a more nuanced and universal allocation of responsibilities. In the end, these references disappeared from the text, in exchange for the weakening of "commitments" to "contributions".

This was an interesting back-and-forth. The eventual disappearance of these references to article 4 shows that major emerging countries are not fundamentally averse to an evolution of responsibilities. They are ready for a new agreement. But until the content is clear, they will be prepared to play this "article 4 card" if the negotiations approach their current red lines. But by allowing the disappearance of this article 4 reference, major emerging economies also showed no real willingness to defend the interests of smaller developing countries, who might have a legitimate interest in financing and more "traditional" definitions of developing country responsabilities. This was particularly surprising given the regressive moves of some developed countries in their domestic policies and international positions (Japan, Australia, Poland).

This gives an opening for developed countries to rebuild damaged alliances with smaller developing

countries. In order to do so, developed countries must get serious about the finance they promised under the Copenhagen agreements. Here progress needs to be made at the Heads of State Summit convened by the Secretary General to the UN, Ban Ki-moon, for September 2014. Developed countries should also be proactive on the issue of equity, by making an attractive offer to smaller developing countries in terms of financing and their responsibilities under the agreement.

More broadly, the Warsaw negotiations showed how serious an issue financing is. Climate change is fundamentally inequitable, both in terms of the damages or drastic mitigation actions it imposes on developing countries. Yet the broken domestic politics of developed countries are simply unable to provide the scale of transfers that would be required to redress this. This is further hindered by the inability of the climate change regime to evolve. There is no reason why Saudi Arabia should not contribute: its emissions per capita are almost 3 times the world average, its GDP per capita more than double.

To address this, a much broader conception of the financing challenge is needed. It needs to encompass a broad package of domestic policies and enabling environments, scaled-up catalytic public funding, private sector investment, and starting reforms of international financial governance and regulation to more strongly integrate climate concerns. This again is something that needs to be prepared both within and outside the UNFCCC negotiations. Other instances, like the UN process on development financing, and the broader regime of financial sector governance, also need to be brought into the discussions. Hitherto, the discussion on financial governance and climate change have been completely separate. But without this broad package, negotiations will not deliver on the political or practical needs with regard to climate finance.