

## **High level Informal Consultations (pre COP)**

**Warsaw 2-4th October 2013**

### **The Incoming President's Conclusions**

On 2-4<sup>th</sup> of October 2013 40 Ministers and their Representatives, high level officials from the UNFCCC Secretariat, the co-chairs of ADP, SBI and SBSTA, and for the first time representatives of business sector gathered together in Warsaw at the invitation of government of Poland to present their views and to discuss a number of important issues related to climate change negotiations under UNFCCC in the context of COP 19. The main messages from this meeting are summarized below in non-exhaustive manner.

#### *Business Involvement and Climate Finance*

In the course of the ministerial-business exchange of views, representatives from the business sector emphasized the need for a simple and stable regulatory framework that would limit investment risk and provide clarity and a long-term perspective for investments and initiatives. They stressed that in the absence of a predictable regulatory environment the emission targets will not be enough to incentivize business actions on a larger scale. Many participants highlighted that the new agreement must address the risk of carbon leakage in the context of global competitiveness between business entities. Some participants stressed that business development should also be driven by a long term focus on sustainable development and the eradication of poverty.

The representatives from business advocated necessity of providing a level playing field while some ministers reminded that this shall not infringe the principle of common but differentiated responsibilities that applies to the Parties. Many representatives of both business community and governments emphasized the need of bottom-up approach in climate action. The ministers pointed out that this must be squared against the emission budget i.e. the maximum load of GHG emissions, that could be discharged globally to the ambient air in the future, according to science, without causing irreversible changes in ecosystems.

Discussion related to finance focused on swift capitalization and operationalization of the GCF - seen by many as the key institution of the climate finance architecture, on exploration of innovative ways to mobilize climate finance, and on how public finance can leverage private investments. COP19, and High Level Dialogue on Finance in particular, is also expected to make progress on

finance to provide information on progress made to mobilize 100 bln USD annually by 2020 as well as on setting the right conditions to make progress on the calendar for the resource mobilization for the GCF. Some Ministers highlighted the need for a discussion on effectiveness of climate finance. Ministers pointed out more needs to be done on adaptation financing including better involvement of business community in this respect.

Participation of business was generally welcomed however suggestions were made on wider participation including i.a. representatives of small and medium sized enterprises and business community from all continents. The incoming President indicated his intention to turn business community involvement in the process permanent starting with COP19/CMP9.

### *The New Agreement*

There is a common understanding that the 2015 package should consist of a future-proof and simple core text of the agreement accompanied by further implementing decisions. All elements such as mitigation, adaptation and means of implementation must be addressed in the agreement in a balanced manner. Ministers stressed that the key factor in the success of the new agreement is universal/global participation in the context of the Convention principles. It was recognized that the 2015 package should build on existing institutions in order to avoid duplication of functions. Most Ministers noted that nationally driven mitigation actions will be the basis of the post 2020 pledges while some noted that a top down element is important and should not be dismissed. The Ministers stressed the need for a decision in Warsaw on a timeline/roadmap for negotiations to COP 21 in 2015 that will include additional meetings and will send the right signals encouraging launching domestic preparations of the initial post 2020 mitigation pledges. It was clear that the efforts undertaken by countries towards forging their commitments must be visible and concrete by 2015. The Ministers also noted that the discussion on the sequence of rules and commitments merits further attention. In the context of an extremely short timeframe, the Ministers emphasized that Warsaw must mark a shift towards a focused mode of work under the ADP in order to advance the task of preparing the draft negotiation text of the new agreement in time. The draft text, translated into six UN languages must be distributed to all Parties by end of May 2015 at the latest.

It stems from the discussion that there is still a need for further clarification on how and when mitigation commitments will be incorporated into the 2015 package, what is the exact nature of the consultation phase, how to capture differentiation of the commitments in a way that will ensure universal participation, and how the “legally binding” concept will work in practice.

### *Ambition of Action*

The Ministers broadly shared the view that ambition of climate action relates not only to mitigation but also to adaptation and means of implementation. Broad participation in both pre-2020 and a long term climate action is key in effectively combating climate change. Some Ministers noted that the role of the land use and forestry sector should be duly taken into account in the discussions on ambition of action. The Ministers recognized the explicit link between the post 2020 ambition of action and the new agreement again highlighting the need for encouraging universal participation. In this context they reemphasized their call for a realistic approach that would be compatible with science, and they noted the need for mobilizing individual political will domestically. The Ministers agreed that the aim of the consultative phase is to enhance transparency and understanding of the proposed pledges. Some Ministers noted that pledges may come forward in the form of political declarations, not ranges. A number of Ministers stressed the need to agree on the role of the UNFCCC in catalyzing actions and voluntary initiatives outside the Convention and their relationship with existing MRV processes and future mitigation commitments. The Ministers reiterated that there is a need to identify barriers related to ambitious universal participation in the new agreement. Some of them identified the top down element and external political pressure as deterring factors.

### *Loss and Damage*

The Ministers broadly agreed that a progress on the issue is needed in Warsaw. In the course of discussions some areas of convergence emerged. The Ministers recognized that there is a link between mitigation, adaptation and loss and damage. They also stressed that there is a need for advancing collective understanding of the effective approaches towards loss and damage including a need for providing assistance to the most vulnerable countries also in the form of financial and technological support. Risk management, enhanced cooperation and coordination, access, sharing and use of existing data were also identified among the areas of convergence with respect to the issue. Some ministers stressed that the issue of slow onset events should be further explored to enhance understanding and finding good ways to address both the impacts and risks.

The incoming COP 19 President confirmed his intentions to take up, among others, the issue of climate finance and of the new agreement at the High Level Segment in Warsaw.