

Submissions from Pakistan

Item No. 6:

Elements in the development of the further guidelines for the fifth review of the financial mechanism (COP)

Response:

Pakistan is of the view that in the light of the ever-increasing intensity and frequency of extreme weather events, and the new responsibilities placed on developing countries by recent COP decisions, it is essential to get clarity on how the developing countries can meet their obligations under the Convention, in accordance with Article 4.7 as well as clarity on the shape of the financial architecture of the Convention under these circumstances? We need to draw upon the lessons learned from Fast-Start Finance (the final reports from developed countries are due at the end of May 2013), and integrate this in the long-term finance work programme of the Convention.

Pakistan also considers that there is a need to look closely into financing adaptation, and future of the Adaptation Fund of the Kyoto Protocol in this financial mechanism. Given the crisis on adaptation financing, with focus mainly on mitigation actions, and the uncertain future of the Kyoto Protocol after the recent amendments adopted mainly by the EU countries in Doha, we need to determine how to get financing for adaptation, knowing that most developing countries are least able to cope with the adverse effects of climate change, and have little emissions and therefore limited mitigation capabilities. Adaptation and mitigation are mutually-supportive activities and are equally necessary.

Adaptation Fund (AF)

The AF is a fund unique under the Protocol because of its direct access modality (a true direct access made possible through national implementing entities, although access through multilateral entities is also made possible), because it is the only fund that finances concrete adaptation activities, because the main source of funding are developing countries themselves, and most especially because developing countries outnumber developed countries in the AF Board.

All these were negotiated and won with difficulty by developing countries after two years of contentious negotiations, since the first meeting of the CMP in 2005. It was operationalized only in 2007, in Bali, and underwent another six months of trying to fend off efforts by the GEF to manage the Fund instead of only providing services to the Board as was agreed.

It is therefore a fund that must be continued beyond the limited life left to the KP. This serious situation of the AF is aggravated not only by the plunging prices of CERs, but also by a directive of the EU to limit the use of the CDM only to LDCs. Since LDCs are not required to give a share of their proceeds to the AF, then this directive is tantamount to scrapping the AF altogether, something the EU has consistently pursued. The EU also blocked all attempts to finance activities of the AF Board to enhance the direct access modality, by limiting the number of regional workshops to be conducted by the Board in developing countries.

At the same time, the developed countries are strongly pursuing the use of new market mechanisms under the Convention, in particular to feed into the negotiations that will take place under the ad hoc working group on the Durban Platform, the AWG-DP or ADP. These new market mechanisms will be the

enhanced CDM, in which emissions reductions are conducted by developing countries to be used by developed countries in meeting their own emission reduction commitments.

There is therefore the need to consider the future of the AF in the light of recent developments in the UNFCCC. And in order to ensure this, developing countries have taken their positions in the next decision, on the report of the Adaptation Fund Board.

Mitigation must also be seen in term not only of limitation of emissions, but in particular, for most of the developing countries, **in terms of prevention, reduction and control of emissions**. This is provided for in Article 4.1 (c) of the Convention, in terms of the “development, application and diffusion, including transfer of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of GHGs in all relevant sectors, in the energy, transport, industry, agriculture, forestry and waste management sectors”.

Item No. 7:

Implementation of all the elements of decision 1/CP.17, (a) Matters related to paragraphs 2 to 6 (ADP)

Response:

Pakistan recognizes the importance of Ad hoc Working Group on the Durban Platform for Enhanced Action (AWG-DP) for launching a process to develop a new Protocol, with legal binding instrument applicable to all parties under the Convention by 2020. Pakistan is of the view that future work of the AWG-DP should be guided by the cardinal principles of the Convention i.e. common but differentiated responsibilities and respective capabilities (CBDR); equity and transparency.

From Pakistan’s perspective, the new instrument should enable meeting the 2 degree Celsius target and promote a rule based multilateral. To this end, we believe that:

The principles and provisions of the Convention remain paramount. We look forward their application. In our view the term “applicable to all parties” cannot and should not override the principle of common but differentiated responsibilities and the notion of equity. We would in our future deliberations improve upon the differentiated structure and the understanding of the national circumstances.

There is a need to draw lessons from the existing regime (Kyoto Protocol). To this end, we believe that differentiated incentives would be required for both developed and developing countries in order to overcome the ambition gap; lessons from the market based mechanism; and finally whether or not compliance mechanism worked and what needs to be done to improve the compliance.

On Work Stream I dealing with paragraphs 2 – 6, Pakistan firmly believes that the term applicable to all parties in paragraph 2 does not override the fundamental principle of Common but Differentiated Responsibilities and Respective Capabilities. Consequently, Pakistan believes that at the very commencement of our work, we initiate discussion on:

a. How the term applicable to all parties could be translated into the new agreement. One of the items for discussion should be relationship between the principles of the Convention contained in Article 3 and the proposed instrument or outcome referred to under paragraph 2 of decision 1/CP.17. The central issues and principles warranting discussion include:

- i) Common but Differentiated Responsibility and Respective Capability
- ii) Equity
- iii) Historical responsibilities
- iv) Economic and scientific measure of “particularly vulnerable” to the adverse impacts of climate change
- v) Measure which would not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

b. Parties should initially be asked to outline their visions for the new instrument/agreed outcome, which should include discussion on drawing lessons from the implementation of Kyoto Protocol.

Item 8:

Implementation of all the elements of decision 1/CP.17, (b) Matters related to paragraphs 7 & 8 (ADP)

Response:

a) Pakistan did not object to the two work streams as agreed during the Bonn session in May 2012, even though we remained convinced that the work under paragraph 7 of Decision 1/CP/17 was not directly related to the work of drafting an instrument or an agreed outcome. In view of above Pakistan proposes the following:

The linkage with the proposed new instrument

Linkage with the existing instruments i.e. Kyoto Protocol

Time period in which this ought to be considered and;

How other frameworks such as NAMAs could contribute to this work plan.

b) In addition, Pakistan would also like to discuss linkage between paragraphs 5 and 7 of decision 1/CP.17.

The two work streams should be managed each by one of the Co-chairs of the ADP. If need be, some facilitation could be considered. The two work-streams should not meet simultaneously as this would pose significant challenge to a vast majority of delegation in servicing not only this meeting but also other working groups.