



Observer Research Foundation

Preparatory Consultations by Peruvian CoP
Presidency for the Conference of Parties of
UNFCCC at Lima 1-12 Dec 2014

Roundtable Meeting of Ambassador Antonio Garcia, Special Envoy for
Climate Change, Peru with Indian Non-Government Experts

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RESUME OF DISCUSSIONS

Observer Research Foundation (ORF) organised a closed door Roundtable Meeting of Indian Non-Government Experts on climate change with Amb. Antonio Garcia, Special Envoy for Climate Change, Peru who was accompanied with Mr. Rómulo Acurio, Joint Representative for Climate Change, Peru. Among the other dignitaries, some Ambassadors of the Group of Latin American and Caribbean (GRULAC) countries and a representative of French Embassy- the next CoP Presidency at Paris- participated in the meeting as Observers. Amb. Garcia was on a visit to India for preparatory consultations for the Conference of Parties (CoP) of United Nations Framework Convention on Climate Change (UNFCCC) at Lima from December 1-12, 2014.

Mr. Sunjoy Joshi, Director Observer Research Foundation, while delivering the Welcome Address, said that the preparatory consultations by the Peruvian Presidency are a critical step in the efforts that will help in coordination and in building confidence amongst all the parties which would eventually lead to the success of CoP-21 at Paris in 2015. He said that the Lima CoP was key as it was the last one before CoP-21 going to take place in Paris, 2015. He noted that the last CoP had set up various institutions, bodies, processes, Green Climate Fund (GCF), Loss and Damage Mechanism, Technology Mechanism, Reducing Emissions from Deforestation and Forest Degradation (REDD), etc. whose operationalisation was considered essential for effectively tackling various effects of Climate Change and also for generating sufficient confidence amongst the parties. So, at the Lima CoP sufficient progress and seriousness would need to be demonstrated regarding all the institutions but he stressed that there do remain several contested issues. [\(Major points in Mr Joshi's Welcome Remarks may be seen at Annexure1\)](#)

After the welcome remarks Mr. Joshi handed over the floor to Mr. J. M. Mauskar, Advisor, ORF to moderate the proceedings as Chair. After welcoming the participants, Mr. Mauskar invited Amb. Garcia for his oral presentation and remarks. Amb. Garcia, while stressing upon the fact that the Peru is in-coming Presidency and not yet the Presidency mentioned that in a broad sense Peru would like CoP20 to build two things: (1) to build trust and the foundations for the 2015 agreement and (2) to build credibility for the mechanisms which exist or which have recently been created under the Convention.

Amb Garcia said that Peru's strong expectation is to produce 'the Lima Draft' as a clear and coherent text which reduces, as much as possible, the number of open unresolved issues to be addressed later in the negotiations. He also said that another mandate for Lima is to produce a decision on the information all countries should include when putting forward their nationally determined contributions. He also pointed out that the Finance question is the key for advancing in negotiations and also in obtaining confidence from all Parties in this process.

(Salient points of the Amb. Garcia's oral presentation may be seen at Annexure2)

Mr. Mauskar then invited the Indian Non-Government Experts to provide their inputs and ideas and requested them to indicate what could be the Indian 'red-lines' in their perspective and suggest possible solutions too.

THEMES /ISSUES

1. Principles of the Convention

One of the participants expressed serious concern over the apparent strategy of the United States and EU to effectively remove the distinction between Annex-1 and non-Annex-1 countries and to create a new category of emerging economies through some "objective" criteria. However, he concluded that both these efforts are unlikely to succeed.

Concurring with these views, another expert pointed out that after 22 years of negotiations it was time to operationalise the Principles of the 1992 Convention such as that of CBDR-RC (Common But Differentiated Responsibilities and Respective Capabilities). He argued that the idea of differentiation enshrined in the Convention would be under-cut if the same or similar contribution is mandated for everyone, for example for India as well as for USA. He called for efforts to bring back proper 'differentiation' in the Lima Draft so that countries that are more responsible for climate change and are better capable of investing in technology take on a higher share of responsibility. The expert also said that clarification was needed on how Intended Nationally Determined Contribution (INDC) would get operationalised, such as through a bottom up approach. He also suggested that contribution by each Nation must be underpinned by the Principles enshrined in the Convention and that the total global contribution must lead to higher ambition.

Expressing broad agreement over preserving the principle of differentiation the third expert wondered if differentiation in Paris Agreement would be based on Annex categories or if it would be self-determined. He also emphasised that some ex-ante certainty would be required in the Lima Draft irrespective of whether the INDCs are decided on the basis of a formula or on the basis of a process of additions required for a target as suggested by the European Union.

2. Equity

One of the experts expressed concern that equity had become an unmentionable word in climate negotiations despite the fact that it needed to be at the heart of climate change negotiations. He argued that equity permeated the entire agenda of Article 4 of the UNFCCC

covering mitigation, finance, technology and entitlements for ‘means of implementation’ but noted that the United States was likely to scuttle any discussion on equity which went beyond procedural equity limited to the process of negotiating an agreement. He also noted that the EU was unlikely to accept any formulation that accounted for historic responsibility or left convergence of per capita emissions to the distant future. He suggested that progress cannot be expected unless there was clarity at least on the principles on the basis of which equity would be determined. There was agreement to these observations among all the Indian participants. Another expert observed that Copenhagen had demonstrated that a bad deal was not a better outcome than a ‘no-deal’ outcome and that compromise on fairness and equity would lead to ineffective outcomes. A third expert expressed that equity must be built into INDCs in such a way that contributions are both adequate and equitable.

3. Adaptation

One of the participants intervened to say that in climate negotiations, adaptation to Climate Change was a significant issue both politically and diplomatically and asked the Indian non-governmental experts to elaborate about the question as to the institutional and financial architecture they would seek for adaptation. One response was that the adaptation was embedded in Plans enacted by the Planning Commission of India since 1950s taking into account India’s Constitutional imperatives and developmental needs.

A more detailed response from a participant dismissed the myth that India had no plan for adaption and pointed out that India’s Federal Government alone (not including State Governments) spent 2.83% of its Gross Domestic Product (GDP) in 2007-08 for addressing climate variability and climate vulnerability according to the studies by Department of Economic Affairs and by Ministry of Environment and Forests. The latest figures would be even higher. He said that this was indeed greater than the 1.9-2% of GDP spent on Defence. Referring to the extreme climate event in Kashmir that week and to the event in Uttarakhand the previous year, he said that every year irrespective of whether the monsoon rains were adequate or inadequate, India experienced drought, floods, cyclones and ocean surges in some part or the other. This meant that the Indian government had to take the question of vulnerability seriously, even at present. He also pointed out that India was at the top of the list if vulnerability is measured in terms of loss or damage on a per capita basis.

4. Specific ADP Issues

BALANCE IN ADP

One of the experts pointed out the success of the agreement would depend on the fine balance between competing objectives of fairness and ambition in AdHoc Working Group on the Durban Platform for Enhanced Action (ADP) outcome.

LEGAL FORM OF ADP AGREEMENT

On the legal form of the ADP Agreement, one expert said that a binding Treaty was primarily a European aspiration which was difficult to close at this point. He cautioned that even if a Treaty was sought to be adopted at Paris, many countries, including India, would wait to see the commitments made by developed countries before ratifying it. He cautioned that an excessive focus on legally binding targets through an international Treaty would simply distract attention from a more important question of the contributions that different countries are willing to take up. Referring to the experience of the meeting of the Heads of State at Copenhagen in December 2008, he observed that greater the pressure for a legally binding Treaty the more conservative would countries be in putting forward their goals for mitigation, finance, technology etc.

Differing a bit from this view, one expert said that legally binding targets may indeed be difficult for developing countries but some form of legal mechanism that allocates mitigation responsibility on the basis of the Principles of the Convention would be desirable. He argued that purely voluntary commitments had failed to deliver in the past and that if the Principles of the Convention are not translated into some legal form, some countries would shy away from commitments. He highlighted that mitigation commitments under Kyoto were politically negotiated which put developing countries at a disadvantage. He suggested that the way forward would be to put in place a methodology that is consistent with the Principles of the Convention and therefore acceptable to all countries.

LEVEL OF EXPECTATION AND SYNERGY IN VARIOUS PROCESSES

One of the participants expressed caution over building ambitious expectations for the forthcoming negotiations. In light of what happened in Copenhagen in 2008 he called for Lima to set the stage for pragmatic and achievable ambitions. He also said that the concerns of Annex I countries over technology facilitation were unfounded and thus developing countries could build on the synergies between Sustainable Development Goals (SDGs) and Climate Conventions.

TRUST & CONFIDENCE BUILDING

A request was made to the in-coming Peruvian Presidency that, keeping in mind the experience at Copenhagen and Cancun when negotiating texts were parachuted down without consent of or consultations with stakeholders, Lima should have a negotiating text prepared in consultation with all the parties with necessary brackets and alternatives as may be required that would be

negotiated from Lima up to Paris. Concurring with this observation, one expert observed that rather than seeking to present every CoP meeting as the biggest achievement of humankind the focus should be on building trust between the diverse set of stakeholders. Adding to these views, another expert said that the draft text needs to be comprehensive, balanced and fair.

MESSAGE FROM INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)

One of the experts observed that because the forthcoming CoP in Lima would be the first after the release of 5th Assessment Report (AR5), outcomes of AR5 need to be taken as inputs for the ADP negotiations. He said that AR5 had pointed out that disaggregated climate action in many countries now covered 67% of emissions, not including efforts by the US, compared to 45% at the time of 4th Assessment Report (AR4). International efforts could fast track these country level efforts and amplify it in the INDC process.

REVIEW 2013-15

One of the experts drew attention to the 2013-2015 Review, during which, amongst others, the global goal of limiting mean global temperatures would be reviewed. He noted that the issues of the Review principally relate to emissions which are the trigger. He said that the Review was being conducted under the aegis of the Subsidiary Bodies through a Structured Expert Dialogue (SED) about the advice needs to be conveyed to the ADP. Given that the review period was 2013-2015, he noted that Lima fell somewhere in between with only some time available for its inputs that would be crucial. He further noted that the Synthesis Report of the IPCC's AR5 3rd Working Group reports that is expected shortly will be looked at by the Subsidiary Bodies to prepare inputs to the ADP process. He concluded that the challenge at Lima would be to set up a time table of the events up to Paris which consolidates the outcomes, including those of the Review and the IPCC, which will inform the ADP.

Pre 2020 Action

In the light of the limited time available, one of the experts called for the need for Lima to demonstrate strong leadership in the pre-2020 context so as to ensure that stronger efforts are initiated from Paris CoP till 2020.

New Govt. & Poverty Elimination

One of the experts emphasised the need to keep in mind the overarching framing of poverty elimination or eradication which has been the goal of all Indian governments, including the newly elected government when discussing climate commitments.

On the question of finance, one of the experts pointed out that the governing instrument of the GCF diverged substantially from that of the Bretton Woods Institutions (WB and IMF), in the sense that development aid that underpinned Bretton Woods Institutions did not acknowledge responsibility for the underlying condition. He explained that during the negotiations regarding the GCF governing instrument, India had distilled provisions of Article 11 in the UNFCCC to underscore the need for GCF to embody a responsibility paradigm acknowledging that countries had divergent and differentiated responsibilities that is to be distinguished from the development aid paradigm. Foreseeing that GCF funds is unlikely to come anywhere close to the \$100 billion that would be needed in the near future, he said India had conceded that the modest sums available in the GCF kitty must prioritise the needs of African countries and small island nations, notwithstanding the fact that the India's own vulnerability is substantially higher quantitatively.

Agreeing with the views expressed, another expert pointed out that as GCF was not development aid, excuses on the part of the United States that it could not make commitments without approval of the Congress and those on the part of the EU that it could not make multi-year commitments as it was not constitutionally approved must be contested. He asked why the EU could not commit to multi-year GCF funding when it routinely made multi-year multi-country commitments on its budgetary spending. Given that public finances are limited, he sought clarification on the limited ability of public finance to leverage private funding or private finance. The expert observed that technologies such as concentrated solar power using air rather than water cooling required multi country cooperation and funding which could also address the constraints posed by Intellectual Property Rights (IPR).

It was pointed out by another expert that GCF reflected the differentiated responsibility and respective capabilities paradigm captured in the CBDR-RC principle and that in the long term the 2015 agreement must provide the basis on which countries would be expected to provide resources for climate finance rather than leave it to the changing preferences of legislators in contributing countries.

6. Technology

On the issue of Technology and IPR, one of the experts was of the view that a political declaration on the lines of flexibility offered in the pharmaceuticals sector under WHO TRIPS-Trade-Related Aspects of Intellectual Property Rights- was necessary for timely transfer of low carbon technologies that developing countries are unable to access at reasonable cost without being hit by bilateral coercive instruments. The expert said that a start needed to be made on discussing the critical IPR issue, which could be a key 'red line' for India and many others-

keeping in mind also the probable duration of the Paris Agreement. He clarified that developing countries were not seeking new legal entitlements to IPRs but only a political declaration similar to that in the case of pharmaceuticals that would not be hindrance in their use of the flexibilities under the WHO TRIPS. He concluded that the global community should take reasonable & prudent steps that would not compromise on the legitimate development and poverty eradication objectives of developing countries to make steady progress towards a Climate Treaty.

However, another expert expressed some reservations on this point as he argued that access to technology is more a question of affordability. He observed that a single minded focus on IPRs may distract Climate Change negotiations from other more important issues and that technology transfer bypassing IPRs was neither necessary nor sufficient condition to address the technology needs of the developing countries. He explained that technology was more a question of capabilities of a country and that the upcoming Climate Technology Centre and Network (CTCN) was not addressing specific technology needs of developing countries. He drew attention to the concept of Technology Integration and Technology Pools that Peru was developing to bring capabilities of developing and developed countries together to address the needs of developing countries. He cautioned that over-dependence on the Research and Development (R & D) investments of developed countries that were focussed on their national priorities may not be a wise choice. Concurring with the view that IPR was not necessarily such a critical issue, another expert pointed out that the fear of lock-in was also important because technology innovations in areas such as increase in the efficiency of solar cells are occurring rapidly and that a margin for flexibility and evolution must be allowed.

7. Carbon Market

The consensus view of Indian experts on carbon markets was that the Indian industry was badly burnt by the sharp decline in the price of Certified Emission Reductions (CERs) and that they were left with billions of dollars worth of stranded investments. One of the experts pointed out that the Indian industry was unlikely to invest in what was not within its means. Doubts were expressed over the participation of the Indian industry in any future carbon market unless there were strong mitigation commitments from Annex I countries that would ensure steady demand along with a price stabilisation mechanism for CERs.

Another expert pointed out that restricting the participation of large developing countries in carbon markets to specific policy based segments was not desirable and that interventions must be accessible to all parties. A third expert said that project proposals no longer included CERs

as a component in financing and that this position was unlikely to change unless there was a credible evidence of a viable carbon market.

8. Energy

Energy Efficiency

One of the experts' highlighted India's desperate need for energy in its pursuit of poverty elimination, economic growth and job creation. The expert said that the Indian industry had voluntarily taken initiatives to improve energy efficiency partly in order to control costs and partly in order to limit emissions. The expert said that energy demand was likely to grow despite industry's efforts towards efficiency as India had to create jobs primarily in the manufacturing sector. In this light, the expert pointed out that though India's emissions were likely to grow in the foreseeable future but the Indian industry was ready to play a role in limiting emissions to the extent possible by adopting efficient technologies. The expert also informed that India's industry was heterogeneous and the ability of each player to adopt modern technologies was not uniform. Another expert pointed out that developed countries could play a role not just in identifying technologies but also in financial mechanisms that could facilitate introduction of efficient technologies in large industries.

Energy Access

One of the concerns raised within the context of poverty elimination was that of energy access. It was pointed out that 900 households in India have to be connected to electricity every single hour for the next ten years to ensure complete access to electricity.

Competitiveness

One of the experts' commented that competitiveness was as important for India as it was for Peru and that the Indian industry would accommodate the need for efficiency as long as this did not result in the Indian industry being out-competed in the global market.

9. Water

The uncertainty over availability of surface water in India along with the uncertainty over water available through monsoons was also highlighted. The concern was that irrespective of whether this variability was on account of unfolding climate change, water stress had an impact on policy efforts towards poverty elimination.

10. Social Inclusion & CSR

An expert informed that the Indian industry has been mandated to spend 2% of their three year annual average profit on Corporate Social Responsibility (CSR) activities that aim for sustainability and inclusiveness to highlight contribution of the industry towards sustainable development.

11. REDD+

On the issue of REDD +, one of the experts expressed disappointment over lesser emphasis on REDD+ in the ongoing negotiations. He was of the view that REDD+ could be a key part of developing country contributions post-2020. He pointed out that the importance of REDD+ was evident in Warsaw Decisions, where out of 15 CoP decisions as many as 7 decisions were on REDD+. He was concerned that the ADP text contained no explicit mention of REDD+ or of Land Use Land Use Change & Forestry (LULUCF). He suggested that as the Lima text evolved, explicit mention of REDD+ as part of voluntary contribution would be necessary, without which he felt that implementation of REDD+ was unlikely to progress and wasting 10 years of negotiating efforts spent over REDD+.

12. Extreme Events

It was pointed out by one expert that because the increase in intensity and frequency of extreme climate events that the first two IPCC Assessment reports had forecast for the period 2010-2020 had not materialised; the pressure to conclude an agreement on carbon mitigation just because of the apprehensions on these grounds would be much lower. This view was contested by another expert who called for an ambitious and balanced Paris Agreement, despite uncertainties.

13. Pause in Temperature

There was some disagreement among the Indian experts over the significance of the present pause or hiatus in increase of global mean temperature over the past 17 years, despite the rapid increase in Green House Gas (GHG) emissions. One of the experts stated that the 17 year hiatus in global mean temperature was outside the 95% confidence limit, provided by the IPCC on the basis of projections by models and that the sense of urgency was lower. The counter opinion expressed was that the so-called pause was not credible enough to impact the established link

between human activity and Climate Change emerging through the AR5 of IPCC and that the doubts over science should not compromise the pursuit of a global Agreement under the Convention.

CLOSING REMARKS BY AMB. GARCIA.....

In his closing remarks Amb Garcia thanked the experts for their valuable inputs and remarked that listening rather than speaking is more enlightening and had offered many insights to him. He stressed that Peru will not be drafting the text but only facilitating the negotiations. Lastly, he mentioned that the present discussions in ORF would help them to achieve the balance between negotiating issues being dealt with at Lima.

SUMMING UP BY MR. MAUSKAR.....

Mr. Mauskar summed up the discussions. In particular, as his personal take, he envisioned that Paris Arrangements might turn out to have three components, the first the post 2020 Agreement, the second a set of Decision of things to do between 2015 till 2020 like how GCF will further develop or technology mechanism implemented, and the third independent Declarations from Parties, as happened before and after the Copenhagen CoP.

At the end Mr. Mauskar thanked the participants, particularly, Amb. Antonio Garcia & Mr. Rómulo Acurio, Indian Non-Government Experts, Ambassadors of GRULAC countries and the colleagues at ORF. *(Highlights of the Summing-up Remarks may be seen at Annexure3)*

**under Chatham House Rules*

ANNEXURES

ANNEXURE 1

Welcome Remarks by Mr. Sunjoy Joshi

1. Amb. Antonio Garcia, Dr. Prodipto Ghosh and other distinguished Indian Climate Change experts. Their Excellencies, the Ambassadors of GRULAC countries. Ladies and gentlemen.
2. Distinguished guests and friends, I am happy to welcome you to this Roundtable meeting being held during the Silver Jubilee year of ORF just three months before Conference of Parties for UNFCCC at Lima, Peru. Most of you are familiar with ORF but for other friends who have come for the first time- ORF is a think-tank which actively informs the global as well as domestic policy discourse by providing a non-partisan research platform that constantly engages the public, the business community and the government with credible research products and analysis. As ever, our areas of research continue to straddle international relations, security and defence policies, politics and governance, the management of resources and the global commons.
3. We in ORF have entered into the Climate Change discourse through the work which we were doing in energy, trade, economic development and international relations. After Mr. Mauskar, former Special Secretary in the Ministry of Environment and Forestry whom you also know as a Climate Change negotiator and as the 1st Co-Chair of ADP, joined us last year, we have got deeper in to climate change.
4. We have brought together an eminent group of non-governmental Indian experts for today's interactions with Amb. Antonio Garcia.
5. We have Dr. Prodipto Ghosh who was a very senior civil servant with international expertise in the Asian Development Bank and has also followed Climate change negotiations since 1990. At present he is associated with The Energy Resources Institute (TERI).
6. Dr. Chandra Bhushan is Deputy Director General of the Centre for Science and Environment (CSE) an internationally, renowned NGO which is also active in Climate Change for more than 20 years.
7. We have with us Dr. Arunabha Ghosh who heads the Council on Energy, Environment and Water (CEEW) which was set up hardly four years ago but which is already making its mark.
8. Professor Ambuj Sagar is from the Indian Institute of Technology, Delhi. Prof Sagar has taught in India and abroad and has worked on energy and technology.

9. Ms. Seema Arora represents Confederation of Indian Industries one of the premier industry confederation of India. Ms Arora has long experience in Environmental issues including Climate Change relating to the Indian Industry.
10. Dr. Navroz Dubash has worked in the Academia and in NGOs globally and is presently a Senior Fellow with the Centre for Policy Research, an eminent think-tank active in many sectors of human activity. Dr Dubash has written extensively on unfolding climate negotiations, economic development etc.
11. Dr. Subodh Sharma, has worked on the Science of Climate Change for more than 30 years in the Central Government and is a teacher presently.
12. Last but not the least we have Dr. Jagadish Kishwan, a forestry and wildlife expert who has worked in the Central Government and was associated with the REDD+ negotiations right from Bali. At present Dr Kishwan is Chief Policy Advisor with the Wild Life Trust of India, a well known NGO.
13. Let me welcome also their Excellencies, the Ambassadors from GRULAC countries and the counsellor from the French Embassy who are with us as observers at this interaction.
14. I hope that at the end of this roundtable, our Peruvian friends will get a good idea of Indian non-governmental thinking, hopes and expectations from the unfolding climate negotiations in general and Lima CoP in particular.

I now hand over the meeting to Mr. Mauskar.

*Salient Points of the Oral Presentation# by Ambassador Antonio Garcia,
Special Envoy for Climate Change, Peru*

Peru is visiting several countries to make some consultations prior to the CoP in Lima in December and also to convey the message of what more or less the Government of Peru, the incoming presidency for CoP20, expects from the conference.

Peru is a developing country and as such it shares the challenges and concerns of other developing countries with regard to climate change. According to the inventory of greenhouse gas emissions of Peru, total emissions of Peru has currently reached 100 million tons of carbon dioxide equivalent (MTCO₂E), emissions corresponding to 0.4% of global GHG emissions. This places Peru at 58th position in the list of emitters globally. With 1.4 TCo₂E per capita, Peru's emissions are below average in the rest of Latin America which is 2.9TCo₂E. Growth projections indicate that the GHG emissions from Peru would increase 6% annually, which is the growth rate of GDP of Peru in recent years. Under a climate scenario of an increase of temperature of 2°C and 20% in the variability of precipitation by 2050, the Peruvian GDP will be between 5.7% and 6.8%, lower by 2030 compared to what would be achieved without climate change. By 2050 the loss of GDP could be more than 20% of potential GDP, with average annual loss between 7.3% and 8.6%.

Consequently, for Peru, (as for all developing countries) climate change represents very clear risks for economic growth as well as for the success of its social policies in particular that of reducing or eliminating poverty in Peru which stands at around 25% of the population. The Peruvian Government and society are well aware that to avoid such great costs, they need to transform their urban practices, industrial processes and social programs and at the same time maintain competitiveness and social inclusion. This refers to the important tasks for adaptation that Peru will need to face in all its regions, the dry coastal areas, the high altitudes, and the fragile and rich region of the Amazon. At the same time, at the national level Peru is also prepared to contribute to the global mitigation effort in line with the Bali Action Plan and the Durban Platform Process under UNFCCC.

Regarding its national contribution, Peru is preparing possible commitments which will most probably indicate a target for the part of non-Conventional renewable energy in its general energy mix with emphasis on hydro power, bio-fuels and others, a higher goal regarding the

control of deforestation of natural primary forests and a target of methane capture from municipal solid waste in the country. Naturally, as other developing countries, Peru is ready to make its national contribution as long as this is done in the context of the global mitigation effort which is fair and balanced.

This brings in the role of Peru as in-coming Chair of the next Conference of Parties (CoP). Peru expects from Lima substantive results which effectively respond both to the urgency we face and to the ambition we need. To achieve that Peru's general expectations could be summarized as follows: In a broad sense it would like CoP 20 to build on two things. First, to build trust and the foundations which are needed for the 2015 agreement and second to build credibility for the mechanisms which exist or which recently have been created under the Convention. To do both things we need to abide by the provisions and principles of the Convention. On a political level, as a developing country, Peru's expectation is that the Lima outcomes as well as the outcomes of the process towards Paris establish a clear linkage between, on the one side climate sustainability and on the other broader considerations of economic growth and social inclusion.

In this regard, Peru's strong expectation is to produce the Lima Draft which would result not only in a loose compilation of ideas or items like a list of issues, but would also come out with a clear and coherent text with appropriate articulation between its different sections and within each section. We would like to see a Lima draft which reduces, as much as possible, the number of open unresolved issues to be addressed later in the negotiations. Another mandate for Lima is to produce a decision on the information all countries should include when putting forward their Nationally Determined Contributions. Regarding this issue Peru would like to see in Lima a practical and collaborative decision. Practical, in the sense, of not being burdensome or complex but rather facilitating the preparation of substantive information from all and collaborative, in the sense, of promoting goodwill, ambition and cooperation.

We see the need to continue the discussion on the issue of the ex-ante consideration of Contributions on the practicality and political feasibility of any aggregate assessment during the next year as well. As Peru's Minister for Environment said recently we would also like to see as an outcome in Lima, a substantive decision on pre-2020 ambition which is dealt within the so called, Work-Stream II process while reaffirming the need for developed countries to fulfil their obligations under the Convention or in the Kyoto Protocol, it seems crucial to move forward with the promising technical expert meetings and other initiatives to identify sectors and activities with untapped mitigation potential. It is time to move forward from identification of actions and policy options which we have already done to the promotion of their

implementation through concrete actions by the Parties with assistance of the Secretariat for other inter-governmental and non-State partners.

Two issues will be crucial to add momentum to their negotiations in Lima. First, the significant announcements by Lima such as the one made by Germany in July, the substantive mobilization of capital for Green Climate Fund (GCF) which will be an important signal for the entire negotiation process. This is why Peru is urging all developed countries and all those in the capacity to do so to demonstrate their commitment by supporting the GCF. The second issue which may add to the momentum in negotiations this year and next is the ratification of the Doha Amendment to the Kyoto Protocol. Peru clearly would like to see a swifter process of ratification by all and in particular by those developed countries whose leadership is central in this matter. Aside from building trust and foundations, Peru also needs to build or to continue building the credibility of the existing Mechanisms and of those Mechanisms under construction under the Climate Change Convention for the 2015 Agreement in Lima. Indeed it will also like to see substantive and constructive outcomes from the other Subsidiary Bodies besides those of the Ad Hoc Group of the Durban Platform, the so called ADP. Regarding Adaptation, Peru sees possibilities of progress in the strengthening of National Adaptation Plans (NAPs) as a tool for domestic policies and the delivery of support as well as for the reinforcement of the Nairobi Work Program. Peru also expects to finalize the establishment of the Executive Committee on the Warsaw Mechanism on Loss and Damage and on its first two-year Program.

Other important issues concerned at Lima are to start the implementation phase for the REDD plus Mechanism created last year as well as the progress on the institutional frameworks for Capacity Building and for Technology Transfer and Development among others by improving the tool for Technology Needs Assessments (TNAs). Progress on other issues such as the framework for various approaches seems to require further dialogue in Lima and beyond. This is just a broad picture of the many issues on which we should all endeavour to achieve some progress in Lima, to build trust in our negotiations for Paris and to build the credibility of what we already have in place. The Peruvian Presidency will act with total transparency and inclusiveness and will be very attentive to everyone's needs and concerns. In this context, it is crucial for Peru to learn and understand the priorities and concerns of India, to hear from the authorities, social leaders and researchers how they view the current process and which should be its objectives.

Peru is the incoming Presidency, and is not the Presidency yet of the conference. It is engaging in dialogue with all parties because it thinks that there is an ambience to be creative. We have to reinforce confidence among parties. As a developing country coming from the Latin American

and Caribbean region and also from G77 and China group Peru has the possibility of building this trust and creating bridges among all parties. Peru is working on that. Peru is listening to the preoccupations of all the parties that it is visiting.

On the other hand politically, Peru sees that it is very important for developing countries that the Lima conference is not just a way to Paris as some countries think. Peru is working very closely with France in order to prepare the path of having achievements in Lima that will lead for a better way of negotiations in the following year. Otherwise it will be very complicated to get to an Agreement by the end of CoP21 in 2015. So, all parties have to engage in dialogue and Peru has to facilitate the process. The Lima draft should be a product of the negotiations and the political will of the parties.

To reiterate the salient points, the two decisions that are very crucial to Peru's mandate are, one, information on the 'Intended Nationally Determined Contributions' (INDCs). It is difficult but it is not impossible. Peru is listening to parties and their ideas on how to manage all the different views regarding what the process is meant for. Peru as a developing country is very open and understands that balances have to be achieved, balance of components have to be there and that is a message Peru is transmitting to the counterparts, especially the developed counterparts.

Second, is the question of Finance which is the key for advancing in negotiations and also in getting the confidence of all parties in this process. Peru's President and the Ministers for Foreign Affairs and Environment are now in contact with many leaders in order to push for announcements that might be done maybe in New York during the Secretary General's initiative on 23 September 2014. It is very important that the GCF is capitalized and have the right signals in order to make progress.

from informal transcript prepared by the Observer Research Foundation.

Summing up by Mr. J. M. Mauskar

Thank you Ambassador, I have a couple of points. The first is the catalytical role of the CoP Presidency at Lima- when we are expecting a lot from Paris, without you the success at Paris cannot take place. So, I take your role as a catalyst, which works silently but makes things happen speedily in the desirable fashion. Your speech was a great encouragement from that point of view.

My second point is that politics is the art of possible and negotiation is another form of politics. So, please go for what is possible. Next year is also yours because you have CoP presidency till December 2015. Third, I echo the importance of the words, "*Equity and Equitable*". To know what is inequitable and what is unfair you don't require very high level of expertise. Any perception of in-equitability of outcome at Lima can vitiate the whole CoP atmosphere. Since good is enemy of perfect so let us aim to be good and not perfect at Lima. Anything which impedes eradication of poverty will be seen as inequitable and would not make it possible for the leader of the Indian delegation, or for any developing country delegation for that matter, to agree. So, poverty eradication is not a thin red line, it is a thick red line in your country as well as in our country.

The post 2020 ADP Agreement we are devising under the Convention should last for two decades at least, till 2040. Thus technology is the key and you heard what experts here have said about technology. But the technologies in future decades would not be what are known today, it is an unknown unknown problem. So, ADP should have something even for the technologies which are yet to be even imagined because we are thinking about 2040.

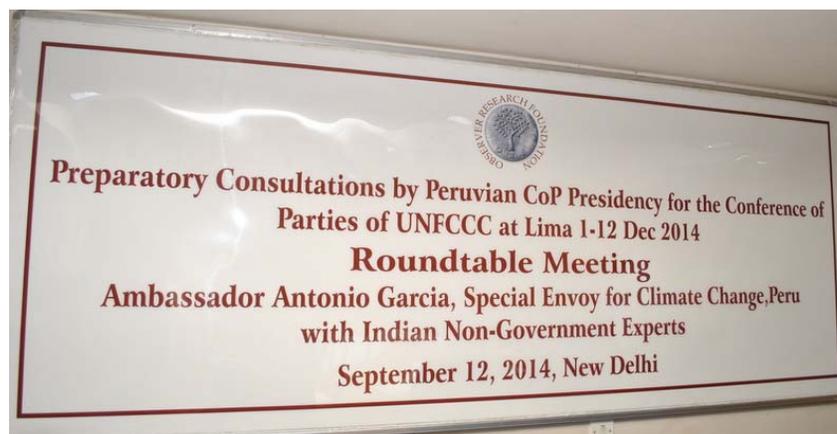
One of your key challenges, and this is not a negotiation challenge, rather a design challenge, as to how will you embed the findings of 2013-2015 Review and the IPCC 5th Assessment Report consideration by SBSTA and SBI in the ADP negotiations.

My last point, this is my personal point, I don't envisage at this juncture, that in Paris you are going to have a single Paris Agreement or a Paris Protocol. What may come out may be the Paris Arrangements which may firstly have an Agreement, post 2020, secondly which may have decisions concerned with negotiations between 2015 till 2020 on how do you integrate the existing mechanisms and systems in ADP, if you want to do everything within one year of 2015 it is not possible. So, there will be in the Paris Agreement, its legal form I am leaving aside, then

there will be Decisions like how GCF will further develop itself till 2020 or for technology mechanism. And then thirdly there could be Declarations from countries. I am thinking of the Copenhagen model that is before the Copenhagen CoP a number of countries made unilateral declarations. So, there could be spontaneous or self decided declarations. The INDC conundrum, if you are not able to resolve it at Lima, could ultimately translate into some kind of a Declaration.

Now, it is my pleasant duty to thank all of you. I thank our observers from the GRULAC countries, the ambassadors and other colleagues. I am extremely sorry that we could not give you enough time because as I said it is my fault as chairman, so I am sorry but let me thank you for your patience and I hope that the open deliberations which we had starting from the initial remarks of Amb. Garcia did get you some insights into the way climate negotiations are unfolding. Then, secondly I would like to thank all my friends and colleagues - all the Indian Experts who were very kind, who broke appointments and came to attend this meeting. Ambassador Garcia, I must say they were very open with you and you saw what all we agree upon and the few things we disagree about. So, I must thank them for coming and stating clearly what Indian stakeholder's views are about climate negotiations. Of course I must thank our team, Lydia, Akhilesh and Vivan who are in this hall. They are the ones who made this event happen. Thank you.

Programme Agenda, September 12, 2014, New Delhi



03.00 – 03.05 PM: Welcome: Shri Sunjoy Joshi, Director, ORF

03.05 – 03.10 PM: Introductory Remarks: Shri J M Mauskar, Advisor, ORF

03.10 – 03.20 PM: Peruvian Priorities and Expectations from the Lima CoP: Amb. Antonio Garcia

03.20 – 04.10 PM: Interaction with Indian Technical Experts

Dr. Prodipto Ghosh, Distinguished Fellow, TERI

Dr. Chandra Bhushan, Deputy Director General, CSE

Ms. Seema Arora, Executive Director, CII

Prof. Ambuj Sagar, IIT Delhi

Dr. Jagadish Kishwan, Chief Policy Advisor, Wild Life Trust of India

Dr. Arunabha Ghosh, CEO, CEEW

Dr. Navroz Dubash, Senior Fellow, CPR

Dr. Subodh Sharma, Former Advisor, MoEF

04.10 – 04.25 PM: Comments, if any, from the Observers from GRULAC and French Embassy

04.25 – 04.30 PM: Concluding Remarks: Amb. Garcia

04.30 – 04.35 PM: Summing up and Thanks: Shri J M Mauskar, Advisor, ORF

Background Note

The Context

1. The 20th Conference of Parties (CoP 20) of the United Nations Framework Convention on Climate Change (UNFCCC) will be held at Lima, Peru from 1st to 12th December 2014. The Peruvian Presidency, as done by the earlier CoP Presidencies, has initiated Preparatory Consultations about the priorities and expectations from the Lima CoP with the Parties as also various stake holder and experts. Ambassador Antonio Garcia, Special Envoy Climate Change Peru is visiting Delhi on 12th Sept 2014, along with his colleague Mr Romulo Acurio, Joint Representative for Climate Change, as part of these Consultations.
2. Observer Research Foundation, (ORF), has been requested by the Peruvian side to arrange a meeting of Ambassador Garcia with a few Indian Experts as a part of his interactions in India. In order to elicit their views, ORF has invited lead experts from Think Tanks, NGOs, Academia and Business Sector for this Meeting, which will be organized in a Round Table format under the Chatham House Rules.
3. The Representative of the CoP Presidency will inform about its own priorities for the CoP as also what all has been learnt from similar interactions held earlier in the other countries. The Representative will then desire to know and understand the priorities and expectations for India, as visualized by the Indian experts present.

Lima CoP

4. While each CoP of the UNFCCC has had its own positional significance and outcomes, Lima CoP is a key CoP because it immediately precedes CoP 21 at Paris in 2015, where post-2020 Agreement is to be finalized as also final Decisions taken on matters such as the 2013-2015 Review 2, 5th Assessment Report of Inter-Governmental Panel on Climate Change (IPCC), pre-2020 Ambition efforts etc. These issues need to reach sufficient maturity therefore in the deliberations at Lima CoP for successful finalization at the CoP Paris.
5. At Lima, besides the 20thCoP there would be 10th Conference of the Parties serving as the meeting of the Parties to Kyoto Protocol (10th CMP). The two permanent bodies under CoP, Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA), as also the AdHoc Working Group on the Durban Platform for Enhanced Action (ADP) will meet in parallel and submit decisions for consideration of the CoP.

6. Between now and December 2014, ADP will have one negotiation session in October 2014, while other bodies like Technology Mechanism, Finance Mechanism and Green Climate Fund (GCF) may also meet. What is more important is the UN Secretary General has scheduled a High Level meeting on 24th Sept 2014 on Climate Change. The results from all these deliberations will feed into the Lima CoP negotiations.

Priorities and Expectations

7. The earlier CoPs have decided to set up Institutions, Bodies and Processes such as GCF, Loss and Damage Mechanism, Technology Mechanism, Finance Mechanism, REDD+ and GCF, whose operationalisation without any further delay is essential for effectively tackling various aspects of Climate Change as also for generating sufficient confidence amongst Parties which is necessary for deciding about higher ambition efforts pre-2020 and an post-2020 Agreement. At Lima CoP therefore sufficient progress and seriousness would need be demonstrated regarding all these Institutions, Bodies and Processes.
8. The 2013-2015 Review is being jointly conducted by SBI and SBSTA and its outcomes will be available next year. Similarly, the 5th Summary for Policy Makers (SPM) and Assessment Report of IPCC will be considered by SBSTA, some aspects perhaps by SBI too, over the next year. At Lima, the modalities for timely and comprehensive completion of these two matters during 2015 would need be finalized.
9. In the ADP, there are two work streams. The first pertains to reaching an Agreement at Paris covering a gamut of issues, including mitigation, adaptation, finance, technology development and transfer, transparency of action and support and capacity building. First of all, at the end of Lima CoP there would need to be clarity about the “*Contents*” of the Agreement. Since ADP is under the Convention, there is wide understanding that the contents of the Agreement will be in consonance with the Principles of the UNFCCC and its relevant provisions. There are also several issues where wide divergences still exist and which need to be sorted out. Another key matter pertains as to how the ADP will be informed by the IPCC Report, the outcomes of 2013-2015 Review and work of Subsidiary Bodies, especially when most of these inputs would be available during 2015. This coordination aspect would need to be settled at Lima. The decision/s on contours, time frame and anchoring in ADP of “*Intended Nationally Determined Contributions (INDCs)*” would also be desirable before the Parties leave Lima. Yet another key matter that ADP is to grapple with at Lima is the issue of “*Legal Form*” of Paris Agreement. Lastly, at Lima, the Parties need to agree with the meeting schedules and mile stones for ADP during 2015, in order that an Agreement be concluded at Paris.
10. The second work stream of ADP is concerned with enhancing Pre-2020 ambition. Besides the deliberations of ADP, the inputs from 2013-2015 Review, relevant inputs from IPCC 5th AR and results of CMP deliberations at Lima about enhancing 2nd Commitment Period efforts would be

relevant. Therefore, ADP may need to chalk out at Lima the rough contours of the Paris decisions for pre-2020 enhancement of efforts.

11. At Lima the CMP is to consider the proceedings of Bonn High Level Meeting held in June 2014 on enhancing 2nd Commitment period efforts. Outcomes in this regard from CMP would be important at Lima.
12. Preparatory consultations by the Peruvian Presidency is an important step in their efforts for coordination and confidence building. Success at Lima would also depend on how the Peruvian Presidency approaches this crucial aspect, in light of the various approaches adopted at previous CoPs.

List of Distinguished Participants

Name	Designation and Organisation
Peruvian Delegation	
H.E. Antonio Garcia	Special Envoy for Climate Change
Mr. Romulo Acurio	Jt. Representative for Climate Change
Mr. Carlos Jimenez	DCM, Embassy of Peru
Indian Non Government Experts	
Dr. Prodipto Ghosh	Distinguished Fellow, The Energy and Resources Institute
Dr. Jagadish Kishwan	Former Addl. DG (Wild Life), MoEF & Chief Policy Advisor, Wild Life Trust of India
Dr. Subodh Kr. Sharma	Former Advisor Ministry of Environment & Forests
Prof Ambuj Sagar	Professor, IIT Delhi
Ms. Seema Arora	Executive Director, Confederation of Indian Industries
Dr. Arunabha Ghosh	CEO, Council on Energy, Environment and Water
Dr. Navroz K. Dubhash	Senior Fellow, Centre for Policy Research
Shri Chandra Bhushan	Deputy Director General, Centre for Science and Environment
Observers from GRULAC	
H.E. Jorge Cardenas Robles	Ambassador, Embassy of Bolivia
H.E. Carlos Sergio Sobral Duarte	Ambassador, Embassy of the Federative Republic of Brazil
H.E. Jairam Ronald Gajraj	High Commissioner, High Commission of the Republic of Guyana
H.E. Raúl Ignacio Guastavino	Ambassador, Embassy of Argentina
Mr. Juan Larrea	DCM, Embassy of Ecuador
Mr. Vladimiro Villata	DCM, Embassy of El Salvador
Mr. Donilo Rodríguez	DCM, Embassy of Guatemala
Mr. Brigido Lezcano	DCM, Embassy of Paraguay
Ms. Capaya Rodriguez	DCM, Embassy of Venezuela
Mr. José Manuel Saldias	Chief Consular Section, Embassy of Chile
Ms. Juana Nuñez	Counsellor (Economic Affairs), Embassy of Mexico
Observer from CoP 21 Presidency	
Mr. Francois-Joseph Schichan	Counsellor, Embassy of France
Observer Research Foundation	
Mr. Sunjoy Joshi	Director
Mr. J. M. Mauskar	Advisor
Ms. Lydia Powell	Head & Senior Fellow
Mr. Vivan Saran	Associate Fellow
Ms. Sarah Hasan	Junior Fellow
Ms. Mallika Bhardwaj	Prog. Coordinator
Mr. Manmath Goel	Research Assistant
Mr. Dinesh Kr. Madhrey	Assistant Manager
Mr. Neeraj Tiwari	Research Intern
Mr. Akhilesh Sati	Prog. Manager

