

CMP
Statement by Nauru on behalf of
the Alliance of Small Island States (AOSIS)
Opening Plenary
Lima, December 2014

Mr. President, Nauru has the honor to speak on behalf of the Alliance of Small Island States, a grouping of 44 members most vulnerable to the adverse effects of climate change. We associate this statement with the statements made by Bolivia on behalf of the G-77 and China.

Mr. President, this session comes two years after the end of the first commitment period.

- We now know that Annex B Parties are likely to have met their first commitment period targets in aggregate. In fact, many individual Parties have overachieved their targets.
- This is good news for our process because it demonstrates that legally-binding commitments, together with the flexible mechanisms, strong accounting system and the robust compliance system that we have painstakingly built over more than a decade - can deliver.
- We have transparent results, we have provided important flexibilities to Parties and we have engaged developing countries as well in the endeavor of reducing emissions through the CDM.
- The success of the first commitment period has been a joint achievement and we can and should congratulate ourselves for this.

But at the same time, we need to be very honest about where we stand:

- Our first commitment period targets were tragically modest
- Our second commitment period targets also fall far short of what is needed for consistency with emission pathways that can limit temperature increases to below the 1.5 degrees over the long term, threatening the survival of many small island States.
- Our Ministerial session last June failed to produce more ambitious commitments, despite the political agreement in Doha that the year 2014 would see greater ambition from Annex I Parties.
- Our accounting rules mask substantial increases in emissions from some Annex I Parties, even from some Annex II Parties
- Due to low mitigation ambition, the price of CERs has collapsed.
- And, our second commitment period targets, insufficient as they are, continue to hang in legal limbo due to an insufficient number of ratifications for entry into force.

Mr. President, in view of the increasingly alarming conclusions of the IPCC on the impacts that can be expected if greenhouse gas concentrations are not reduced, the path we need to follow at this point in time is clear:

First, Parties that have not yet submitted instruments of acceptance need to do so. 192 Parties have invested 7 years at the international level negotiating the second commitment period; we now need to invest the domestic political

capital necessary to bring it into force. If we are sincere in our support for a legally-binding, rules-based regime, we need to **bring the second commitment period out of its legal limbo.**

Second, Annex B Parties that have not yet ratified the Doha Amendment should bring forward new, more ambitious commitments at the time of ratification. The Doha Amendment provides a process to ratchet up mitigation ambition following adoption and we need to use it. Many of the conditionalities that were previously associated with an increase in ambition back in 2009 have now been satisfied. Each Party that can do more, should do more.

Third, Annex B Parties that have already accepted the Amendment must continue to revisit their commitments in 2015 and beyond and raise their ambition at the earliest possible date, with an eye on what a failure of ambition means for the vulnerable Parties in this room.

Fourth, we need to protect the environmental integrity of existing commitments.

- In Doha we agreed on a set of measures to manage surplus units in the trading system, and we agreed to avoid the creation of new hot air through adoption of Article 3.7 ter.
- We also agreed rules to ensure that only Parties with binding commitments for the second commitment period receive the benefit of KP accounting rules in delivering against quantified commitments.
- To ensure that these advances are not eroded, we need to ensure complete transparency on the application of our rules by Parties and by regional economic integration organisations.
- We also need to guard against creative “re-understandings” or “re-interpretations” of our rules that threaten environmental integrity.
- In Warsaw we came very close to adopting a very broad set of consequential updates to the Marrakech Accords, held back only by certain Parties’ insistence at the last minute that we create exceptions to the rules we had just agreed in Doha to safeguard environmental integrity. We cannot enter the business of unraveling the rule set we worked so hard to achieve in Doha merely for political expediency.

Fifth, we need to improve our market-based mechanisms so that their contribution to net mitigation is unquestionable.

- With the gap we now have in mitigation ambition, our market-based mechanisms need to be designed to deliver substantial net emission reductions that the atmosphere sees.
- Here in Lima we should identify how net mitigation can be built into the system more firmly through various combinations of tools, including conservative baselines, discounting of units when generated or tendered, shortened crediting periods and cancellations for the benefit of the environment.
- Success in this area will be crucial to making the CDM a tool that can further contribute to mitigation ambition and to the Convention’s overall objective.

Mr. President, together these elements should help put us on the right track.

- The members of AOSIS look forward to very productive discussions at this session and assure you of our full support.