

AWG 4 AND DIALOGUE 4 HIGHLIGHTS: MONDAY, 27 AUGUST 2007

The fourth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol to the United Nations Framework Convention on Climate Change (AWG 4) and the fourth workshop under the "Dialogue on long-term cooperative action to address climate change by enhancing implementation of the Convention" (Convention Dialogue) opened in Vienna, Austria, on Monday morning with a welcoming ceremony and speeches. These were followed by the opening session of the AWG. In the afternoon, the Convention Dialogue convened to consider building blocks for long-term cooperative action on climate change.

WELCOMING CEREMONY

Josef Pröll, Minister for Agriculture, Forestry, Environment and Water Management, Austria, emphasized that climate change is already a "harsh reality" and indicated that the EU is prepared to reduce emissions by 30% by 2020 provided that other industrialized countries take commitments and that economically advanced developing countries contribute adequately.

Maria Madalena Brito Neves, Minister of Agriculture and Environment, Cape Verde, emphasized small island developing states' vulnerability to climate change, outlined adaptation and mitigation activities in Cape Verde and underscored the need for international cooperation.

Monyane Moleleki, Minister of Natural Resources, Lesotho, emphasized the need to begin post-2012 negotiations in Bali and indicated that while African countries need support, they also have responsibilities concerning climate change.

Yvo de Boer, UNFCCC Executive Secretary, highlighted recent and upcoming meetings within and outside the UNFCCC, showing that momentum is building for COP 13 in December. He urged delegates to "seize this opportunity" to have focused discussions on a post-2012 regime in Vienna.

AWG

AWG Chair Leon Charles (Grenada) opened AWG 4 and stressed the need for a "strong robust outcome." He explained that AWG 4 will resume its work in Bali and proposed that the Vienna meeting focus on mitigation potentials and ranges of emission reduction objectives. Parties then adopted the agenda (FCCC/KP/AWG/2007/3).

Australia, for the UMBRELLA GROUP, called for in-depth consideration of indicative ranges of emissions reductions, including the contribution of Annex I parties. He added that the iterative nature of the work plan would allow parties to revisit issues and indicated that the work of the AWG is one

of several inputs. Pakistan, for the G-77/CHINA, stressed the unique vulnerability of least developed countries (LDCs), the African region, and small island developing states (SIDS). The EU restated that global greenhouse gas (GHG) emissions should be reduced by 50% by 2050 to ensure that the average temperature increase is no more than 2°C. Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, recalled recent findings by the IPCC and called for strengthened mitigation and adaptation efforts, taking account of the circumstances of small states.

Maldives, for the LDCs, and Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), challenged a scenario projecting GHG concentrations of between 445-490 parts per million (ppm) and a change in global mean temperature above pre-industrial levels of between 2-2.4°C. AOSIS said the avoidance of climate change impacts in small island states should be a benchmark for the post-2012 agreement.

INDONESIA called for real progress on analysis on mitigation potential and ranges of emissions reductions. She also outlined plans for COP 13, including parallel meetings by finance and trade ministers.

ANALYSIS OF MITIGATION POTENTIALS AND IDENTIFICATION OF RANGES OF EMISSION REDUCTION OBJECTIVES OF ANNEX I PARTIES: The Secretariat introduced a technical paper (FCCC/TP/2007/1) synthesizing information relevant to the determination of mitigation potential and identification of possible ranges of emission reduction objectives for Annex I parties.

The EU emphasized that the paper confirms the urgency and scale of the necessary mitigation efforts, also showing that mitigation is technically and economically feasible. NORWAY outlined a recent analysis on ways of achieving Norway's national emission targets, which include becoming carbon neutral by 2050.

SOUTH AFRICA, CHINA and ALGERIA highlighted inconsistencies in the technical paper, including the use of a number of different base years. SAUDI ARABIA stressed the need to consider the impact of Annex I mitigation activities on developing countries and PAKISTAN called for further work on the impact of response measures. INDIA said the AWG's real work is to develop quantified emission limitation and reduction objectives for Annex I parties for the period beyond 2012.

CLIMATE ACTION NETWORK (CAN) INTERNATIONAL called for a halt in the rise in emissions by 2015. NEW ZEALAND expressed a readiness to take on new quantitative emissions reductions and also identified the need to consider new types of commitments. CANADA noted the importance of understanding commitments that can be made in the near future, as milestones on the way to global emission reductions

goals. SWITZERLAND said the work of the AWG is related to ongoing processes under the Convention and the Protocol, and called for a comprehensive climate regime.

The REPUBLIC OF KOREA identified reduction potential and costs as the deciding factors in determining targets and suggested presentations from relevant international institutions such as Asia Pacific Economic Cooperation (APEC). The RUSSIAN FEDERATION and BELARUS emphasized that different economic circumstances must be taken into account when deciding on targets. ICELAND stressed sectoral mitigation potential and different national circumstances.

MOROCCO underlined the potential for partnership between developed and developing countries. EGYPT and INDIA called for a Clean Development Mechanism (CDM) that will significantly impact on sustainable development in developing countries.

Parties then agreed to establish a contact group chaired by AWG Chair Charles, to convene on Wednesday.

CONVENTION DIALOGUE

On Monday afternoon, co-facilitators Sandea de Wet (South Africa) and Howard Bamsey (Australia) opened the fourth Convention Dialogue workshop, identifying it as an opportunity to consider how ideas from the previous workshops might fit together in a coherent way.

Delegates then elaborated on building blocks for long-term cooperative action. The EU and NORWAY called for a "shared vision" to reach the UNFCCC's ultimate objective. The EU called for deeper emission reduction commitments for all developed countries and "further fair and effective" contributions by developing countries. He identified carbon markets, technology, investment, adaptation and deforestation as other building blocks to be addressed. NORWAY indicated that shared vision, mitigation and adaptation should be the main building blocks, with financing, technology, carbon markets, deforestation and aviation emissions as additional elements. CANADA, AUSTRALIA and JAPAN emphasized participation by all major emitters and, with ARGENTINA, emphasized the need to consider national circumstances.

SOUTH AFRICA stressed five building blocks. He said the first would address adaptation for all but particularly LDCs, SIDS and Africa. He called for mitigation through legally binding reductions by Annex I countries and voluntary action for developing countries with technological and financial support. He also identified the need to address the unintended consequences of adaptation and mitigation policies and response measures on oil exporting countries and others; technology research, development and diffusion; and means of implementation. SAUDI ARABIA supported South Africa's building blocks approach and highlighted the importance of financing and the need for technology transfer.

Belize, for AOSIS, called for urgent, practical and ambitious actions, including large reductions within the next 10-15 years by the largest historical emitters and by major emitting developing countries with assistance from developed countries. He urged stabilizing greenhouse gas concentrations at a level below 450 ppm, limiting temperature rise to less than 2°C. He highlighted the role of renewable energy, energy efficiency and sustainable and environmentally friendly technologies; action and financing for adaptation; and that any new framework must build on the UNFCCC and the Kyoto Protocol.

NEW ZEALAND identified deforestation and technology as possible elements. UGANDA called for a formal and binding instrument on technology, ICELAND emphasized climate friendly technologies as a way to meet emission reductions without halting economic growth, and MALDIVES called for modern cleaner technologies. The REPUBLIC OF KOREA stressed the importance of private sector participation, financing, technology transfer and capacity building.

BOLIVIA called for real domestic emission reductions by developed countries and cited adaptation and flexible mechanisms as other building blocks. EGYPT called for more incentives under the CDM, and removal of barriers that have hindered participation and for non-commercial technology transfer. PAPUA NEW GUINEA said the focus should be on mobilizing resources, identified market instruments as the most viable tool and said new ones should be created.

ARGENTINA mentioned the expense of mitigation measures, specifically for agriculture. INDIA highlighted developing countries' need to increase their energy use and stressed economic development as the best form of adaptation. CHINA underscored the need to enhance the implementation of the Convention.

On the process, INDIA said the co-facilitators' report should be a compilation of views rather than a reflection of their sense of the discussions. BRAZIL identified a two-track process explaining that the AWG will lead to legally binding mitigation by Annex I countries. He proposed a formal process to succeed the Dialogue, focusing on voluntary and incentivised action by non-Annex I countries.

JAPAN said one negotiation track would be ideal for ensuring effectiveness. CANADA stressed the need to build on the momentum created by the Dialogue and launch a process in Bali to establish a broad and comprehensive framework involving all Convention parties. SWITZERLAND, NEW ZEALAND, AUSTRALIA and others called for the Dialogue to continue in negotiations. UKRAINE and NORWAY proposed that COP 13 should create a negotiation process to be finalized at COP 15. The RUSSIAN FEDERATION called for formal negotiations within the COP, the subsidiary bodies or within a new expert group. UGANDA supported formal negotiations to enhance the implementation of the Convention.

MEXICO said the Dialogue should move into decision-making, ensuring equity and common but differentiated responsibilities with the possibility of voluntary commitments. The UNITED STATES outlined President Bush's major economies initiative that would lead to an agreement by major economies on a new framework by 2008 and contribute to global agreement under the UNFCCC in 2009.

The REPUBLIC OF KOREA, with CHINA, proposed extending the Dialogue for two more years.

CAN INTERNATIONAL reminded delegates of the high expectations for Bali from general public and business.

IN THE CORRIDORS

On the first day, the mood in the corridors was positive and cautiously optimistic with many delegates feeling energetic after the summer break and pleased with the largely positive spirit shown at the AWG's opening session. Also the Dialogue discussion on building blocks was seen as continuing the constructive spirit shown in Bonn.

In the corridors, some delegates were discussing a US intervention, which reiterated plans for a Washington-sponsored process involving major emitters. The alternative visions that some see emerging from the UN sponsored process and the US are: an enhanced carbon market, with a flourishing CDM, with hard targets versus the alternative vision of a soft regime of "pledge and review". Some questioned the extent to which the US gambit can influence the UNFCCC process, now that the prospect of a maturing carbon market and an enhanced CDM possibly delivering billions of dollars of investment to developing countries triggered by deep cuts in emissions.

Some delegates were also discussing what they called a "surprise" submission by AOSIS, which proposes differentiation for non-Annex I parties in the second commitment period. Some praised the group for their "courageous" intervention.