

AWGLCA 1 AND AWG 5 HIGHLIGHTS:

MONDAY, 31 MARCH 2008

The first session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWGLCA 1) and the fifth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG 5) opened in Bangkok, Thailand, on Monday morning with a welcoming ceremony. This was followed by the opening session of the AWG. In the afternoon, delegates convened in the AWGLCA's opening plenary.

WELCOMING CEREMONY

Sahas Bunditkul, Deputy Prime Minister of Thailand, identified the need to negotiate "an attractive package" for COP 15, including comprehensive action on adaptation and mitigation.

Calling for global solidarity, Noeleen Heyzer, Executive Secretary of the Economic and Social Commission for Asia and Pacific, underscored the need for financial and technological support from developed countries to achieve both emission reductions and development goals in developing countries.

In a video address, UN Secretary-General Ban Ki-moon called for an environmentally sound, long-term solution based on common but differentiated responsibilities, and a "delicate balance" between globally inclusive action and poverty eradication.

COP 13 President Rachmat Witoelar, Indonesia, emphasized that the Bali roadmap must be paved with strong, concrete actions and rigorous implementation. He called for a global emission goal, possibly achieved through a mid-term goal, and urged stepping up of efforts to reach agreement by 2009.

Janusz Zaleski, Undersecretary of State, Ministry of Environment, Poland, said the Bangkok meeting should identify issues where work needs to be done and in what order, areas needing further clarification and how relevant actors such as financial institutions, business and civil society could contribute to the process.

Yvo de Boer, UNFCCC Executive Secretary, stressed the need to respond to the great expectations generated by the Bali outcome and called for progress in both AWGs. Highlighting limited time to conclude negotiations, he emphasized the importance of negotiating a clear work programme for the AWGLCA.

AWG

AWG Chair Harald Dovland (Norway) opened AWG 5, stressing the task in 2008 to analyze and reach conclusions on means to reach emission reduction targets, including flexible

mechanisms, land use, land-use change and forestry (LULUCF), a basket of greenhouse gases and covered sectors. Parties adopted the agenda (FCCC/KP/AWG/2008/1). Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, highlighted linkages between the AWGs and the need for cooperation.

ANALYSIS OF MEANS TO REACH EMISSION REDUCTION TARGETS: AWG Chair Dovland introduced documents (FCCC/KP/AWG/2008/INF.1 and FCCC/KP/AWG/2008/MISC.1 and Adds. 1-3).

Stressing the AWG's legal mandate, Antigua and Barbuda, for the G-77/CHINA, expressed concern about suggestions to link the AWG with the new AWGLCA process. BRAZIL noted that the AWG's success depends on its ability to focus on Annex I commitments. CANADA highlighted links between the AWG and AWGLCA and, with ARGENTINA, called for coordinating the processes.

ARGENTINA stressed that the Kyoto Protocol should remain the foundation for future Annex I commitments, and be strengthened, and VENEZUELA indicated there is no need to renegotiate the existing legal framework.

Maldives, for the LEAST DEVELOPED COUNTRIES (LDCs), highlighted the need for Annex I emission reductions in the range of 25-40% below 1990 levels by 2020, and BANGLADESH called for deep cuts. NEW ZEALAND stated that rules must be improved and finalized before new commitments are made. CHINA stressed that if the rules are changed, the 25-40% indicative range of Annex I emission reductions must be increased. Samoa, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), said greenhouse gas concentrations must be stabilized well below 450 parts per million (ppm) and suggested the inclusion of new gases under the Protocol.

CLIMATE ACTION NETWORK stressed that emission reductions in industrial sectors should not be substituted with emission reductions in other sectors, such as LULUCF, and stressed the need to protect biodiversity and indigenous rights. The INTERNATIONAL TRADE UNION CONFEDERATION called on parties to consider social and economic dimensions of emission reduction targets.

JAPAN highlighted the potential of sectoral approaches in achieving global emission reductions, and NEW ZEALAND supported analyzing other types of commitments in addition to quantified targets. CHINA stated that sectoral approaches cannot replace targets but can be used as a means of achieving them.

Several parties, including JAPAN, TUVALU and Slovenia, for the EU, identified the need to address international aviation and maritime transport emissions. AUSTRALIA, NEW ZEALAND, ICELAND and others also urged reviewing of rules on LULUCF and flexible mechanisms. AUSTRALIA suggested

broadening the scope of mechanisms, especially in relation to sinks, CCS and afforestation and reforestation. INDONESIA identified the need to review the rules for the Clean Development Mechanism (CDM) and MALAYSIA proposed addressing complex procedures and high transaction costs under the CDM. TUVALU suggested auctioning Assigned Amount Units.

AWGLCA

AWGLCA Chair Luiz Machado (Brazil) opened AWGLCA 1 and stated that it was necessary to advance step-by-step to build a solid basis for agreement. Parties adopted the agenda (FCCC/AWGLCA/2008/1) and AWGLCA Chair Machado introduced the relevant documents (FCCC/AWGLCA/2008/2 and FCCC/AWGLCA/2008/Misc.1 and Add.1-3). He proposed, and delegates agreed, that AWGLCA 1 convene mostly in informal plenary settings, allowing for greater participation.

DEVELOPMENT OF A WORK PROGRAMME: The US called for an effective outcome that is economically sustainable and consistent with sustainable development. The G-77/CHINA and the AFRICAN GROUP stated that the AWGLCA should focus on enhancing implementation of existing commitments under the Convention and Protocol, and stressed the principle of common but differentiated responsibilities. SAUDI ARABIA indicated no agreement exists to supersede the Convention or replace its principles, including the balance of obligations. ARGENTINA said historical contributions and current circumstances must be considered and called for short-term measures while advancing long-term goals.

The G-77/CHINA, SWITZERLAND and others highlighted the equal importance of the building blocks. The G-77/CHINA and others also called for an iterative work programme. AUSTRALIA, supported by NORWAY, proposed addressing all elements this year. The EU proposed to begin work on technology and finance in the first half of 2008. Barbados, for AOSIS, and others supported addressing all four blocks at each session. TUVALU opposed the EU's proposal to hold parallel sessions on the building blocks. JAPAN supported parallel discussions on actions by developed and developing countries. CHINA stressed the need for equal attention to adaptation and mitigation. BRAZIL called for exchanging views on the full scope of issues, as they are interrelated, but warned against preconditioning results of discussions on each of the blocks.

JAPAN suggested establishing task forces on the building blocks with the participation of external experts. The US proposed three clusters on: long-term vision; mitigation, finance and technology; and adaptation and related financing and technology issues. MICRONESIA called for scientific input to clarify the impacts of long-term targets.

The EU, NEW ZEALAND, ICELAND, SWITZERLAND and others emphasized the importance of a shared vision, and NEW ZEALAND identified long-term goal, such as emissions targets or maximum temperature goals, as a key component of a shared vision. AOSIS said avoiding further climate change impacts on SIDS should be a benchmark and suggested an upper limit of no more than 350 ppm may be necessary given recent studies.

SAUDI ARABIA stated that the emphasis of the AWGLCA's work programme should be on technology and financial resources. NORWAY identified the need to consider different emission scenarios, LULUCF, bunker fuels and CCS. The RUSSIAN FEDERATION identified sinks and deforestation as key issues. SWITZERLAND called for discussions on sectoral and programmatic approaches, policy-based commitments and means for implementing, measuring, reporting and, when applicable, verifying actions in developed and developing countries. JAPAN called for legal clarification of the terms "developed country parties" and "developing country parties" in the Bali Action Plan. He proposed that each country should be classified to tiers according to objective standards and that

the base year should be reviewed from the perspective of equity. TURKEY said a post-2012 regime should consider countries' different levels of development.

INDONESIA called for binding commitments and mid-term goals for developed countries and support for building low carbon economies in developing countries. CHILE said climate change cannot be solved by industrial countries alone and noted that some developing countries' emissions are reaching considerable levels. CHINA, with CHILE, emphasized that action from developing countries should be carried out within the framework of sustainable development and requires financial and technological support from developed countries. The REPUBLIC OF KOREA highlighted the role of incentives, stating that issuing carbon credits based on measurable, reportable and verifiable mitigation can encourage developing countries' participation. SINGAPORE suggested a bottom-up approach in which developing countries take on voluntary commitments in line with their national circumstances. NEW ZEALAND highlighted the need to develop basic tools for emission inventories in major economies.

INDIA called on developed countries who have not signed the Protocol to take on comparable commitments and stressed the per capita emissions paradigm.

AOSIS expressed concern over the lack of adequate financing for adaptation and proposed establishing an adaptation fund under the Convention. He also proposed an international insurance mechanism and TUVALU suggested organizing a workshop on risk management and insurance. CHINA called for mechanisms to enhance support for adaptation, especially in the areas of early warning and disaster management. MICRONESIA stressed the need to address unavoidable damage and to create innovative insurance tools. BANGLADESH called for an adaptation protocol.

CHINA highlighted the legal obligation for technology transfer and called for an international technology transfer fund. MALAYSIA identified the need to assess how much funding and investment is available for technology transfer. ICELAND called for analytical work on obstacles to technology transfer and options for their removal.

On financing, AOSIS called for reliance on market mechanisms and positive incentives. CHINA indicated that financial support flows should be separate and distinct from official development assistance.

The G-77/CHINA, supported by the US, stressed the need to keep the two AWGs as separate and parallel processes, while NEW ZEALAND and others highlighted their interlinkages.

IN THE CORRIDORS

On the opening day of the meeting, many were surprised to see crowded corridors with more than 1,000 participants, including over 100 accredited media, given that the meeting was expected to be an organizational one to determine the AWGLCA's work programme. In a changing climate - from the exceptionally hot streets of Bangkok to the chilly air-conditioned UN Conference Center - the delegates's mood was positive, and some commended delegates' willingness to work constructively and leave the political compromises reached in Bali untouched. Few, however, seemed to have clear ideas of what detailed outcomes to expect from the meeting and what would emerge as the key sticking points during the week, especially in the AWGLCA.

The AWG under the Protocol proved to be far more predictable. Its opening session, repeating many of the already familiar points, failed to surprise anyone, while new voices, especially Australia's, speaking for the first time as a party to the Protocol, were welcomed. Some feared, however, that pre-Kyoto ideas, especially those related to sources and sinks, could detract from meaningful progress.