

AWGLCA 1 AND AWG 5 HIGHLIGHTS WEDNESDAY, 2 APRIL 2008

On Wednesday, the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWGLCA) continued discussions on the work programme in an informal plenary and drafting group. In the morning and afternoon, the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) held an in-session workshop on means to reach emission reduction targets, focusing on land use, land-use change and forestry (LULUCF), as well as sectoral approaches.

AWGLCA

DEVELOPMENT OF A WORK PROGRAMME: On Wednesday, the AWGLCA convened in an informal plenary session to discuss the shared vision, mitigation and adaptation.

Shared Vision: AUSTRALIA, supported by the REPUBLIC OF KOREA and others, said the shared vision should be a statement of aspiration rather than legally binding. COSTA RICA described the shared vision as the destination with the building blocks determining how to get there. CHINA said the shared vision should emphasize the principles of the Convention, and GHANA, the LDCs, VENEZUELA, PAKISTAN and ALGERIA highlighted the ultimate objective of the Convention and sound science. The EU said Convention Article 2 (objective) is not sufficient, and AOSIS stated that the task is to operationalize the Article in light of scientific advances.

BANGLADESH proposed deep cuts, an early peaking year for global emissions and, with GHANA and EGYPT, an adaptation protocol. South Africa, for the AFRICAN GROUP, emphasized equal treatment of adaptation and mitigation, and the special needs of Africa, SIDS and the LDCs.

The US emphasized differentiation among parties, depending on changing social and economic conditions, as well as current emissions and emission trends. He proposed early focus on stabilization scenarios, and an in-session workshop at AWGLCA 2, addressing technology options, availability and costs.

TURKEY identified the need for clear methodologies to define targets for countries with different development levels. GHANA highlighted the role of positive incentives. SAUDI ARABIA called for a bottom-up approach in defining a long-term goal.

VENEZUELA said the work programme should not go beyond elements existing under the Convention. The REPUBLIC OF KOREA and INDONESIA supported holding an in-session workshop on the shared vision. AUSTRALIA proposed an in-session IPCC presentation on relevant work from the AR4. NEW ZEALAND supported dealing with the

global goal early on, and proposed submissions by parties on measuring, reporting and verification (MRV) to further explore the terms.

Mitigation: Several delegates emphasized that developed and developing countries should have distinct commitments. BRAZIL, supported by SOUTH AFRICA, explained that developed countries must reduce emissions, while developing countries take action to reduce emission growth, and clarified that the distinction also applied to MRV. CHINA and BRAZIL highlighted that in developing countries, MRV should take place nationally. BRAZIL and SOUTH AFRICA underscored the need for international incentives for developing country action and the recognition of existing actions. INDIA illustrated an equity or convergence emissions paradigm for mitigation.

JAPAN called for mid-term national targets using sectoral approaches, stressing they would not replace quantified targets and would differ for developed and developing countries. AOSIS stressed that sectoral approaches for developed countries must be considered in the context of national targets. The US, the EU and others supported exploring the idea of sectoral approaches. ARGENTINA, AUSTRALIA, the US, the EU and the RUSSIAN FEDERATION proposed to explore criteria for differentiation.

The G-77/CHINA identified the need to clarify “comparability of efforts” by developed countries. BRAZIL and others stated this was particularly relevant for Kyoto non-parties.

The EU supported parallel discussions on developed and developing country actions and, with INDONESIA, further exploring MRV.

CUBA, with SAUDI ARABIA, proposed a workshop on economic and social consequences of response measures. GHANA, with SAUDI ARABIA, urged considering expanding the list of greenhouse gases.

Adaptation: The G-77/CHINA, the EU and others supported parallel consideration of adaptation and mitigation. ZAMBIA urged bringing adaptation action to the same level as mitigation. CHINA said adaptation should be given more importance than mitigation. VENEZUELA called for a holistic approach.

Several delegates highlighted the need to focus on vulnerable countries and regions. The G-77/CHINA expressed concern over the lack of adaptation funding and the fragmentation of programmes and funds. SOUTH AFRICA, with others, stressed the need to avoid replicating work and to focus on implementation. She proposed streamlining financing mechanisms and reconsidering the institutional framework. NEW ZEALAND proposed that the Secretariat conduct a stocktaking assessment of adaptation activities.

ZAMBIA called for a country-driven approach. JAPAN said adaptation planning should be mainstreamed into development planning and called for cooperation among donors. TOGO and

CHINA stressed financial and technology needs. INDIA and others proposed extending the adaptation levy to all mechanisms and creating other financial instruments. AUSTRALIA supported further analytical work to assess adaptation funding. AOSIS proposed an economic report on climate impacts on SIDS and, with the LDCs, an adaptation fund under the Convention. SAMOA suggested developing an insurance pool scheme made up of contributions from developed countries.

The EU, CHINA, BELIZE, PANAMA and others proposed various workshops, while OMAN noted time constraints and said workshops should not replace negotiations.

The US supported differentiation among countries on the basis of projected impacts and adaptive capacity. PALAU urged for transfer of locally appropriate technologies and best practices, and disseminating information to local communities.

COSTA RICA urged looking at other relevant processes such as the International Strategy for Disaster Reduction. SAUDI ARABIA supported a workshop addressing resilience to both climate change and response measures.

Informal Drafting Group: During an informal session in the evening, delegates were presented with a draft matrix of a work programme for 2008, with the focus and specific activities for each upcoming session to be elaborated. Discussions centered on a possible workshop on the shared vision, including the timing and whether it should be party-driven. Delegates also considered holding a ministerial discussion on the issue at COP 14. The group also noted the need to discuss interlinkages between building blocks, and the timing for elaborating a work programme for 2009.

AWG

ANALYSIS OF MEANS TO REACH EMISSION REDUCTION TARGETS: In-session workshop: On Wednesday morning and afternoon, the AWG held an in-session workshop concentrating on LULUCF and sectoral approaches.

Maria José Sanz, UNFCCC Secretariat, provided an overview of the provisions and decisions related to LULUCF under the Protocol. Peter Holmgren, FAO, stressed the need for monitoring in accounting, and synergies between forest monitoring in addressing climate change and other environmental problems. Jim Penman, IPCC, noted scientific advances addressing many of the pre-Kyoto fears regarding forest management. He suggested: considering LULUCF in the context of REDD; simplifying rules for CDM sink projects; dealing with harvested wood products (HWP); and, regarding permanence risks, implementing longer averaging periods or taking on conservative assessments to account for possible losses.

JAPAN presented on national experiences, highlighting enhanced sink policies and measures, which are broadening participation and utilization of products and biomass. The EU suggested reviewing and simplifying accounting rules, without creating perverse incentives, and enhancing removals from sustainable biomass for energy and HWP. NEW ZEALAND discussed experiences in incorporating LULUCF in its emissions trading scheme and identified LULUCF rules under the Protocol that should be reviewed. CANADA proposed three key enhancements: improving incentive structures for sustainable land management; assessing the life cycle of carbon stocks; and greater focus on distinguishing anthropogenic emissions and removals. He proposed a LULUCF sub-group take up this issue.

AUSTRALIA noted that parties should not foreclose new options for mitigation under LULUCF and favored the review of current rules to ensure simplicity without perverse incentives. He said effective monitoring systems are now available to allow for more accurate accounting. TUVVALU urged parties not to rewrite the existing rules and principles, noting it may be necessary to reconsider IPCC guidelines on managed and unmanaged land. He stated that CDM activities should remain restricted to afforestation and reforestation projects. Supporting TUVVALU, BRAZIL said that if activities under Article 3.4 (additional

human induced activities) were expanded, the IPCC should be invited to assess the issue of “factoring out” to enhance understanding of anthropogenic versus natural carbon stock changes.

CHINA opposed major modifications for the second commitment period and stressed that provisions on LULUCF should apply only to Annex B countries. The RUSSIAN FEDERATION supported simpler, more efficient inventory procedures. TUVVALU called for a political link between LULUCF rules and commitment levels. MALAYSIA called for streamlining and strengthening of rules.

On LULUCF under the CDM, UGANDA supported amending the rules, citing socioeconomic development and mitigation benefits of forests. BRAZIL and SAMOA warned against sacrificing environmental integrity of the CDM, while AUSTRALIA and SWITZERLAND asserted that rules can be simplified while maintaining stringency in environmental outcomes. BENIN and SENEGAL highlighted linkages between Africa’s participation in the carbon market and the role of forestry.

Richard Baron, International Energy Agency, outlined three sectoral approaches: mitigation potentials on a sectoral level; sectoral international cooperative action; and sector-specific action in developing countries.

Jake Schmidt, Center for Clean Air Policy, outlined methods to encourage developing country mitigation while deploying low carbon technology. He also illustrated how sectoral approaches can help in defining Annex I targets.

Jane Hupe, International Civil Aviation Organization, called for cooperation between the UNFCCC and the Group on International Aviation and Climate Change processes.

Brian Flannery, International Chamber of Commerce, recommended continuation of voluntary initiatives, prioritizing cost effectiveness, maintaining flexibility and avoiding competitiveness among sectors and countries, and assessing economic and trade implications of sectoral approaches.

The EU, NEW ZEALAND, CHINA and CANADA stressed that sectoral approaches should support, not replace, national targets. SWITZERLAND, AUSTRALIA, TUVVALU, NEW ZEALAND and others supported addressing sectoral approaches in the AWGLCA. NEW ZEALAND suggested a workshop on sectoral approaches to report to both AWGs, and JAPAN noted that sectoral approaches were useful in bridging the AWGs.

IN THE CORRIDORS

On Wednesday evening, delegates felt somewhat tired after a full day of parallel meetings in the two AWGs. Reflecting on the AWGLCA talks, many felt they had heard a lot of familiar ideas but few new ones. However, some commented on the “interesting ideas” that popped up during the day’s discussions, such as “overshoot strategies.” Others feared that proposals for an adaptation protocol would serve as a distraction from the far more urgent issue of early action on adaptation.

“Numbing” was how some described the evening’s informal discussion on the work programme as delegates got into the nitty gritty of putting ideas on the table for upcoming sessions, preparatory work and workshops in 2008. Some delegates realized that they didn’t have a shared vision on a workshop on the shared vision.

In the AWG discussions, LULUCF was a contentious issue, with one delegate commenting that he was “reliving the nightmare of the Marrakech Accords,” as views diverged on whether, and to what extent, they will need to be amended.

Some participants noted a number of US congressional staffers were milling about the meeting, possibly to keep tabs on what is happening in preparation for the next US administration.