

SB 28 AND AWG HIGHLIGHTS: MONDAY, 9 JUNE 2008

On Monday, contact groups and informal consultations were held on a range of issues, including a "shared vision" and mitigation under the AWG-LCA, the mechanisms and LULUCF under the AWG-KP, carbon capture and storage, decision 1/CP.10 (Buenos Aires programme of work), review of the financial mechanism, non-Annex I communications, reducing emissions from deforestation in developing countries, and technology transfer.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

AWG-LCA (SHARED VISION): In this contact group, parties outlined a variety of views on a shared vision for long-term cooperation. The Philippines, for the G-77/CHINA, said a shared vision means developed countries taking the lead in reducing emissions and developing countries pursuing a clean development path avoiding past mistakes, with adaptation as an integral element. Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, said a shared vision should provide a framework for cooperation among all parties, and include a long-term climate objective and ways and means to reach it.

South Africa, for the AFRICAN GROUP, said an aspirational goal would be acceptable if underpinned by binding and ambitious targets for developed countries, including targets of 25-40% below 1990 levels by 2020, and at least 50% by 2050. CHINA said a shared vision does not necessarily mean concrete targets or numerical goals, but is a statement of long-term objectives, goals and means. He said consideration of an aspirational goal must include discussions of how the burden will be shared.

Barbados, for AOSIS, called for scientific studies on the implications for SIDS of temperatures at and above 2°C, which he said should be available before COP 14.

The EU said a long-term goal based on 2°C requires reductions of at least 50% by 2050 compared to 1990 levels, which implies urgent short-term actions. He said all developed countries must take the lead, meaning binding targets within the range of 25-40% reductions by 2020 compared to 1990 levels. He said the EU is ready to play its part if that is the condition for agreeing to a longer-term vision by developing countries, as stated by the African Group. He noted the need to support adaptation activities.

NEW ZEALAND said a long-term goal is also being discussed in other international processes, and that such a goal should be non-binding, informed by science and periodically reviewed. Bangladesh, for the LDCs, said the level of impacts on vulnerable countries will depend on the scale of emissions reductions by developed countries. He added that a shared vision

should include the right of developing countries to sustainable development and the need for adaptation policies, including risk reduction strategies. MALAYSIA and PAKISTAN suggested analyzing the implications of Annex I countries' different emissions targets for non-Annex I parties.

JAPAN suggested that all elements of the Bali Action Plan constitute a shared vision, with a long-term goal as a central element. He highlighted Japan's national emission reduction target of 60-80% from current emissions by 2050. He also said Japan will announce its interim target in the next year and will start a trial national carbon market later in 2008. BRAZIL suggested a long-term goal based on the principle of common but differentiated responsibilities, historical responsibility and the best available science.

The US said a long-term goal should be global, realistic, consistent with recent changes in economic development, based on science and aspirational. He proposed submissions and a technical paper on specific proposals by COP 14. The RUSSIAN FEDERATION said the goal should be aspirational and not serve as a basis for burden sharing. GREENPEACE INTERNATIONAL said a shared vision should be based on fairness and equity, and be ambitious.

AWG-LCA (MITIGATION): In this contact group, the G-77/CHINA said mitigation action by developed and developing countries must be different. The US and several others stressed the need for all countries to take nationally appropriate mitigation action. CANADA outlined plans to reduce emissions 60-70% by 2050. AUSTRALIA called for nationally appropriate binding commitments by all countries, and highlighted untapped potential in the LULUCF sector. Mexico, for the ENVIRONMENTAL INTEGRITY GROUP, stressed the importance of ambitious commitments by developed countries. Barbados, for AOSIS, identified 350 ppm as the safe concentration level, which has already been exceeded. He called for standardized parameters for measuring mitigation action.

ICELAND and JAPAN underscored sectoral approaches. JAPAN emphasized that sectoral approaches are compatible with common but differentiated responsibilities and that the current CDM is insufficient. Chair Machado stated that the CDM falls outside the AWG-LCA's mandate. INDIA said universal standards or best practices fall outside the scope of the Bali Action Plan. CHINA opposed introducing new issues and concepts such as sectoral approaches and, with BRAZIL, urged focusing on enhancing the implementation of the Convention.

The EU, BRAZIL and others underscored comparability of efforts and action by Annex I non-ratifiers of the Protocol. The EU said action by developing countries needs to be recognized and action by advanced developing countries should lead to substantial deviations from baseline emissions.

The US lamented lack of timely information on non-Annex I emissions and stressed the need to update the Convention in this regard. NEW ZEALAND identified the need for thorough consideration of MRV and called for submissions on MRV tools. INDIA, supported by CHINA, explained that MRV in developing countries only applies to mitigation actions that are internationally enabled. BRAZIL, supported by CHINA, stressed that MRV in developing countries takes place in accordance with national standards. MALAYSIA and the ENVIRONMENTAL INTEGRITY GROUP emphasized the importance of technology, finance and capacity building.

SAUDI ARABIA underlined economic and social consequences of mitigation actions. ARGENTINA noted the need for access to technologies, clear regulatory signals to the private sector and research and development. SINGAPORE, PAKISTAN and INDONESIA supported voluntary mitigation actions by developing countries and, with NORWAY, ICELAND, JAPAN and SWITZERLAND, supported REDD. The Chair's draft procedural conclusions from AWG-LCA 2 will be distributed on Tuesday morning.

AWG-KP JOINT MECHANISMS AND LULUCF GROUP: LULUCF Co-Chair Smith indicated that this joint meeting of the mechanisms and LULUCF contact groups was being held to address sinks under the CDM, which had been raised in both groups. He said discussion should focus on generating a list of possible issues and options for discussion.

Many parties said discussion of REDD in the AWG-KP was premature, and should take place in the SBSTA and AWG-LCA. COLOMBIA, PANAMA, and others suggested including a "place mark" to allow for discussion of REDD in the future. BRAZIL said eligible activities should continue to be limited to afforestation and deforestation. SWITZERLAND stressed inclusion of the LULUCF principles of decision 16/CMP.1. SENEGAL, TANZANIA, and THAILAND supported inclusion of conservation.

Many supported discussion of permanence issues and a cap on use of credits from LULUCF projects. TUVVALU suggested exploring agricultural soil carbon improvement, INDONESIA highlighted forest restoration, and PAKISTAN supported full land coverage. NORWAY and CANADA suggested accounting approaches and sustainable land management, and TANZANIA identified the need for international sustainable development criteria. The RUSSIAN FEDERATION insisted on symmetric treatment of Protocol Articles 6 (JI) and 12 (CDM). A revised draft text was distributed on Monday evening for consideration on Tuesday.

CARBON CAPTURE AND STORAGE (SBSTA): During informal consultations, the group considered draft conclusions. Disagreement persisted on several issues, including references to decision 1/CMP.2 (CDM guidance), language regarding issues requiring further consideration, holding a roundtable on CCS, and the timing of further consideration by SBSTA. Discussions will continue informally.

MITIGATION (SBSTA): During informal consultations, delegates considered draft text proposed by the Co-Chairs containing three options: working on a technical paper or workshops; continuing work after December 2009; or removing the issue from the SBSTA agenda. Most parties supported one of the first two options. Discussions will continue informally.

DECISION 1/CP.10 (SBI): During "Friends of the Chair" consultations, parties agreed on the terms of reference for the review of implementation of Convention Article 4.8 (adverse effects), as mandated by decisions 5/CP.7 and 1/CP.10.

FINANCIAL MECHANISM (SBI): Discussions took place throughout the day in a contact group and informal consultations. The G-77/CHINA, EU and JAPAN distributed draft proposals and delegates discussed, *inter alia*, the nature of co-financing for GEF projects. The Co-Chairs will distribute draft conclusions on Tuesday morning.

NAIROBI WORK PROGRAMME (SBSTA): During informal consultations, delegates discussed a Co-Chairs' proposal in detail. Discussion focused on climate-related risk and extreme events, adaptation planning and practices, and economic diversification. A drafting group met Monday evening to attempt to generate agreed text for consideration on Tuesday.

NON-ANNEX I COMMUNICATIONS: In informal consultations, the GEF responded to parties' questions on financial support provided for the preparation of non-Annex I national communications (FCCC/SBI/2008/INF.3/Rev.1). Parties thereafter made progress in agreeing text on the agenda sub-item on the provision of financial and technical support. Informal consultations will continue on Tuesday.

REDUCING EMISSIONS FROM DEFORESTATION (SBSTA): Parties met informally to consider the updated draft text on main methodological issues. Discussion focused on estimation and monitoring, inclusion of references to specific sources of guidelines and methodologies, and a reference to decision 2/CP.13 (REDD). Some parties suggested referring to "changes" instead of "reductions" in emissions. Parties also discussed including implications for indigenous communities, reference to a "conservative principle," and the need to refer specifically to anthropogenic emissions. The Co-Chairs will produce an updated draft with new sections on capacity building and emissions displacement for consideration on Tuesday.

RESEARCH AND SYSTEMATIC OBSERVATION (SBSTA): During informal consultations, delegates completed most of their work on draft conclusions. Discussions will continue Tuesday afternoon.

TECHNOLOGY TRANSFER (SBI): The group met informally throughout the day. In the morning, delegates considered draft terms of reference for the review of the effectiveness of implementation of Convention Articles 4.5 and 4.1(c) (technology transfer), including language on mandate, objectives and scope of work. Outstanding issues included linkages to national communications and periodicity of the review. In the afternoon, delegates considered Chairs' draft conclusions. The main point of contention was a reference to the GEF report. However, this text was finalized Monday evening. Consultations will continue informally on the terms of reference.

TECHNOLOGY TRANSFER (SBI/SBSTA): The informal group considered the EGTT's work programme, with discussions focusing, *inter alia*, on language relating to the EGTT's relationship with SBI and SBSTA.

IN THE CORRIDORS

The corridors were buzzing Monday due to the large number of contact groups, informal consultations, regional group meetings and bilaterals, and a sudden influx of delegates who had arrived over the weekend.

Negotiators for the AWG-KP were talking about the draft text containing a "shopping list" of all issues parties wanted to discuss relating to the flexible mechanisms, with such diverse offerings as nuclear energy, CCS, and REDD all making appearances. "It is good to give parties an opportunity to express their preferences, but negotiating this will not be easy," said one negotiator. "At least we don't have to agree on anything in Bonn," she added.

Meanwhile, the AWG-LCA was generating a lot of talk, particularly on what a "shared vision" might include. "Everyone seems to agree on the value of a long-term vision... but no one agrees yet on what it might be," observed one participant. Some also felt that there were relatively few new ideas to emerge during the contact group on mitigation.

Several delegates were also mentioning Japan's announcement of a trial carbon trading system and a long-term emissions goal for 2050, as well as its allusion to an interim 2020 target.