

AWG-LCA 3 AND AWP-KP 6 HIGHLIGHTS: SATURDAY, 23 AUGUST 2008

On Saturday morning, delegates convened in a plenary session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) and in contact groups on “other issues” (focusing on spillover effects) and on the flexible mechanisms under the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP). In the afternoon, contact groups on enhancing action on adaptation and associated means for implementation, and on enhancing action on mitigation and associated means for implementation were held under the AWG-LCA. In addition, informal consultations were held on land use, land-use change and forestry (LULUCF) under the AWG-KP.

AWG-LCA PLENARY AND CONTACT GROUPS

LONG-TERM COOPERATIVE ACTION: Delegates convened in an AWG-LCA plenary and considered the organization of work. Chair Machado proposed establishing three contact groups on: enhanced action on mitigation in conjunction with identification of needs for finance and technology; enhanced action on adaptation in conjunction with identification of needs for finance and technology; and institutional arrangements for delivering enhanced cooperation on technology and financing. Many party groupings supported the Chair’s proposal, while Australia, for the UMBRELLA GROUP, objected to the creation of the contact group on institutional arrangements, stating that the first two contact groups would sufficiently deal with this matter. Antigua and Barbuda, for the G-77/CHINA, proposed changing the title of the third contact group to “delivering on technology and financing, including consideration of institutional arrangements.” After informal consultations, parties agreed to the establishment of three contact groups on: “enhancing action on adaptation and associated means of implementation,” chaired by AWG-LCA Vice-Chair Cutajar; “enhancing action on mitigation and associated means of implementation,” chaired by AWG-LCA Chair Machado; and “delivering on technology and financing, including consideration of institutional arrangements,” also chaired by Machado.

During the discussion, the G-77/CHINA and others expressed disappointment regarding the slow progress of the AWG-LCA in light of the challenging programme in the lead up to COP 15.

France, for the EU, highlighted the potential for using a levy on aviation revenue to combat climate change and, with AUSTRALIA, for the use of carbon markets to achieve cost-effective mitigation. Maldives, on behalf of the LDCs, proposed the establishment of an institutional structure on adaptation to help ensure food, energy and water security and the protection

of health and livelihoods. Grenada, for AOSIS, underscored adaptation as a major priority, and proposed the establishment of an adaptation fund under the Convention.

JAPAN proposed that parties adopt a shared vision of reducing global emissions by 50% by 2050 in line with the goal supported by the 2008 G8 Summit. NEW ZEALAND called for greater emphasis on a shared vision, and said there cannot be two separate and distinct visions under the AWG-KP and AWG-LCA tracks. On REDD, he suggested elaborating both market and non-market approaches to enable an informed decision on the issue. INDIA and CHINA stressed the need to address all four elements of the Bali Action Plan equally. The RUSSIAN FEDERATION called for all major emitting countries to participate in a future global agreement.

On mitigation in the agriculture sector, URUGUAY, supported by NEW ZEALAND, called for increased action, and proposed a workshop on this topic in Poznan. BANGLADESH proposed the establishment of an international adaptation research and technology support center in his country.

TURKEY called for flexibility in a future regime to account for the dynamic nature of national circumstances.

ICAO noted that it is in the best position to ensure optimum compatibility between environmental sustainability and the safety of the global aviation system. She offered to assist the AWG-LCA in its efforts to address international aviation emissions. GLOBAL BUSINESS and INDUSTRY noted that the private sector has a major role to play in providing investment for mitigation and adaptation actions, and highlighted the importance of creating frameworks and institutional structures to attract the necessary resources. The INDIGENOUS PEOPLES FORUM ON CLIMATE CHANGE said a future agreement should recognize and implement the UN Declaration on the Rights of Indigenous Peoples and also provide for official participation of the UN Permanent Forum on Indigenous Issues in the UNFCCC process.

ADAPTATION AND MEANS OF IMPLEMENTATION: AWG-LCA Vice-Chair Cutajar opened the contact group and suggested that the discussion focus on national planning for adaptation and enhancement of knowledge sharing.

The Philippines, for the G-77/CHINA, underlined the need for urgent action and for equal treatment of mitigation and adaptation. GHANA called for a comprehensive adaptation approach and bridging research and policy. Barbados, for AOSIS, supported a simple and transparent approach, without substantial reporting requirements or conditional funding. He suggested using national adaptation programmes of action (NAPAs) to identify immediate priorities, and offered to share recommendations on knowledge sharing with the group

next week. The US called for leveraging existing institutional capacities, and presented several means for organizing adaptation priorities and actions.

South Africa, on behalf of the AFRICAN GROUP, announced its proposal for a consolidated adaptation work programme. She stressed learning-by-doing, the sectoral nature of adaptation technology, and the need to differentiate between short-term climate shocks and long-term shifts in climatic conditions.

France, for the EU, explained its proposed framework for adaptation, which promotes financial resources and investment flows and builds partnerships between developed and developing countries. He suggested that the Nairobi Work Programme on impacts, vulnerability and adaptation, as well as networking and regional centers, should facilitate exchange of views among parties. JAPAN highlighted its Earth Simulator System, which, he said, can predict future climates and enhance understanding of adaptation needs.

AUSTRALIA supported a focus on implementation, and BANGLADESH, with Maldives, for the LDCs, urged hastened implementation. INDIA, with AOSIS and the AFRICAN GROUP, called for additional resources.

MITIGATION AND MEANS OF IMPLEMENTATION: The contact group chaired by AWG-LCA Chair Machado met in the afternoon. The Philippines, for the G-77/CHINA, underlined the distinction between mitigation commitments of developed countries and mitigation actions of developing countries. The US stated that a Copenhagen agreement should be flexible to accommodate differences in national circumstances and how they change over time. The G-77/CHINA stressed that the only categories for distinguishing among countries should be those used in the Convention. The EU, supported by AUSTRALIA and NEW ZEALAND, opposed this, stating that further differentiation of actions among groupings of countries must take place in a future regime. TURKEY suggested parameters for differentiating, including GDP per capita, energy use per capita, and the Human Development Index.

Many parties called for developed countries to lead in emission reductions, and BRAZIL and CHINA said that existing mitigation actions in developing countries must be recognized. CUBA called for a 35% reduction in Annex I emissions by 2020.

ANTIGUA and BARBUDA pointed out that the group does not have a mandate to discuss amendments to the Convention or the Protocol. TUVALU noted that, according to the mandate, the group should discuss not only actions beyond 2012, but also now and up to 2012. JAPAN proposed a roundtable with industry on sectoral approaches in Poznan. The REPUBLIC OF KOREA underscored its idea for a market mechanism for finance and technology transfer.

AWG-KP CONTACT GROUPS AND INFORMALS

OTHER ISSUES (SPILLOVER EFFECTS): AWG-KP Chair Dovland chaired the contact group. South Africa, for the G-77/CHINA, stated that consideration of spillover effects should focus on non-Annex I parties. TUVALU, with NEW ZEALAND, Senegal, for the AFRICAN GROUP, and others, said greatest consideration should be paid to spillover effects on poorer countries. The RUSSIAN FEDERATION, with CROATIA, said spillover effects on all parties, particularly developing country parties, should be considered. CANADA noted the relevance of spillover effects to all parties, but suggested priority consideration for poorer countries.

JAPAN, with MEXICO, requested that boundaries be defined for spillover effects, and AUSTRALIA suggested that these could relate to programmes and measures taken by parties in relation to obligations. The G-77/CHINA urged discussion of methodologies. MEXICO suggested the development of assessment criteria, and, opposed by UGANDA, suggested a step-by-step process for identifying spillover effects. The

EU noted the need for quick action and urged caution and pragmatism, stating that otherwise "analysis paralysis" could occur, given the complexities inherent in anticipating all effects.

The G-77/CHINA, with AUSTRALIA and NEW ZEALAND, highlighted non-tariff trade barriers. TUVALU noted the negative impacts of some biofuels, and GAMBIA drew attention to the current food crisis. The EU explained its exploration of sustainability criteria for biofuels to address these concerns. EGYPT made the distinction between biofuels produced from crops and those from waste. BRAZIL argued that biofuel production resulted from energy security efforts rather than Annex I mitigation measures, and highlighted its achievements in enhancing biofuel production efficiency.

Chair Dovland called for follow-up in Poznan and suggested submissions from parties to explore the issues raised. He said a document with conclusions would be circulated.

FLEXIBLE MECHANISMS: Co-Chairs Lacasta and Figueres convened the contact group and introduced an updated list, classifying possible improvements to the mechanisms based on, *inter alia*, whether or not they have potentially significant implications for the ability of Annex I parties to meet emission reduction targets. Co-Chair Lacasta proposed consideration of "big ticket" items first.

Tuvalu, for AOSIS, supported by COLOMBIA and BOLIVIA, repeatedly objected to proceeding without inclusion of the issue of extending the share of proceeds as a "big ticket" item. Consultations on the issue will continue informally.

SWITZERLAND stressed that non-big-ticket items should not be overlooked and, supported by CANADA, suggested that further elaboration of some items may be necessary before parties could provide their views on the topic.

SOUTH AFRICA stated that discussions based on the list were too general and called for a more detailed document. The Co-Chairs will review party submissions and prepare a new document for consideration on Monday.

LULUCF: During informal consultations, parties sought to clarify their positions and specify details of the set of accounting options on the table. Parties discussed, *inter alia*, forward-looking baselines and whether Article 3.4 reporting activities should remain voluntary. One party expressed hope that concrete options would be articulated by the end of the Accra meeting so parties could "crunch numbers" on the different options before Poznan.

The Co-Chairs will collect inputs and produce a Chairs' text before consultations continue Monday morning.

IN THE CORRIDORS

As the first half of negotiations drew to a close, most parties were disheartened, expressing dissatisfaction with the slow pace of talks, especially under the AWG-LCA. Some delegates were confused as to why there had been controversy over the establishment of the contact groups and were distinctly unhappy about the resulting delay in their work. In the words of one party, "I would have preferred heading out to enjoy my one day off feeling like we had achieved more."

Following the AWG-LCA mitigation contact group, one delegate observed that "diplomacy had been abandoned" and that the negotiators seemed more interested in attacking one another than in trying to come forward with ways of taking the process forward.

The participants in the AWG-LCA adaptation contact group, however, were considerably happier, with the general feeling that some progress had been made, pointing to the development of concrete proposals, such as that of the African Group. Yet, many noted that there was still a grave problem in moving from planning to implementation, citing the many NAPA submissions and project proposals with little funding to facilitate action.