

## AWG-LCA 5 AND AWG-KP 7 HIGHLIGHTS: WEDNESDAY, 1 APRIL 2009

Throughout Wednesday, the AWG-LCA convened an in-session workshop on subparagraphs 1(b)(i) and 1(b)(ii) of the Bali Action Plan (mitigation by developed and developing countries respectively). The AWG-KP held contact groups on potential consequences and on legal matters.

### AWG-LCA WORKSHOP

The AWG-LCA in-session workshop on the mitigation subparagraphs of the Bali Action Plan was chaired by Chair Zammit Cutajar. The morning session focused on developed country mitigation and the afternoon session on developing country mitigation.

**DEVELOPED COUNTRIES:** The G-77/CHINA stressed that Annex I parties should take economy-wide quantified emission reduction commitments that are ambitious, comparable and compatible with a long-term goal. He mentioned criteria such as historical responsibility and national capability. The EU called for a collective reduction of 30% below 1990 levels for developed countries. He suggested that non-Annex I parties with comparable levels of development consider similar commitments, and supported reviewing progress no later than in 2016. Highlighting recent science, AOSIS urged stabilization well below 350 ppm to avoid warming of over 1.5°C, and supported 1990 as the base year. BOLIVIA identified the need for compensation for climate impacts in developing countries and penalties for non-compliance.

NEW ZEALAND presented an "Assessing Comparable Efforts Framework" to estimate mitigation costs for individual countries, based, *inter alia*, on mitigation potential and baseline emissions. SOUTH AFRICA proposed enhancing the compliance system through a new technical panel, and said comparable mitigation efforts should be considered by the COP and COP/MOP for compliance assessment to cover both Protocol parties and non-parties. INDIA called for agreement on an overall emission reduction target for all Annex I countries under the AWG-LCA, and proposed reductions of at least 40% from 1990. He said the AWG-LCA should also define quantified emission reduction commitments for Annex I countries that are not Protocol parties, and proposed basing MRV on Protocol Articles 5, 7 and 8 (methodological issues, reporting and review).

The US emphasized that there are multiple emission pathways to reach 450 ppm, and highlighted that the US takes a long-term perspective through the development of a comprehensive national cap-and-trade programme with binding interim goals. He said several criteria can be considered in assessing "comparability of efforts," including: per capita emissions; total cost; absolute value; difference from business-as-usual

emissions; and multiple baselines. The US noted that if only the EU and the US were to reduce emissions by 80% by 2050, such actions would still result in 630 ppm, and stressed the need for additional efforts and consideration of the financial component. The US also specified that their mid-term goal would mean stabilizing emissions at 1990 levels by 2020.

TURKEY noted her country's plans to adopt no-lose targets and NAMAs, and stressed differentiation among Annex I parties. CHINA highlighted increases in Annex I countries' emissions since 1990 and high per capita emissions. He said "comparability of efforts" should consider policies and measures, actions and targets. He said targets should be quantified and binding, and that MRV should be conducted through national inventories and communications, and through the relevant Protocol procedures.

SUSTAINABLE MARKETS FOUNDATION called for considering the youth in a Copenhagen agreement, moral leadership, and targets for emission reductions which do not compromise the future.

**DEVELOPING COUNTRIES:** Presenters addressed various aspects of nationally appropriate mitigation actions (NAMAs), including: different options for a registry; NAMAs' voluntary nature; sectoral NAMAs; the relationship between sustainable development and NAMAs; MRV for NAMAs and emission reductions; and support, through finance, technology and capacity building.

AOSIS said all developing countries should take mitigation action, and underscored that an essential benchmark of a future agreement must be the survival and continued viability of SIDS. The G-77/CHINA stated that the extent of developing country mitigation actions would be dependent on the level of support offered by developed countries. Stressing science-based emission reduction needs, the EU said developed countries must take the lead but cannot do it alone, underscoring that developing countries as a group must have a "level of ambition" to cut their emissions by 15-30% from the business-as-usual baseline by 2020. He invited "advanced developing countries" to propose low-carbon development strategies before Copenhagen.

The LDCs noted the failure of Annex I parties to comply with their emission targets. SOUTH AFRICA discussed specific steps for establishing a NAMA registry, including the registration of developing country actions enabled through their own resources and verification at the national level, and presented ideas on MRV for finance and technology transfer. JAPAN proposed an advisory group for sectoral cooperation to support MRV of mitigation actions by developing countries, and highlighted the utility of public and private sector collaboration in promoting support.

INDIA stressed that NAMAs are bottom-up voluntary actions, and said that an international registry would provide a way to translate national proposals into NAMAs. The REPUBLIC

OF KOREA identified three types of NAMAs, those that: are voluntary; require external support; or generate carbon credits and could expand the scope of the carbon market beyond offsetting mechanisms.

SINGAPORE underscored challenges to small countries and the need for energy technologies, and the lack of recognition of voluntary mitigation measures already undertaken by developing countries. CHINA stressed that NAMAs should be coordinated with development and poverty eradication goals. He underscored technology and finance support to avoid “lock-in” effect in rapidly industrializing and urbanizing developing countries, and stressed the need for a mechanism to match NAMAs with support. SAUDI ARABIA described an integrated support and accreditation mechanism (SAM).

INDIGENOUS PEOPLES’ ORGANIZATIONS said REDD proposals must consider indigenous peoples’ rights. THIRD WORLD NETWORK said the enabling factors of finance and technology have to come first. FRIENDS OF THE EARTH highlighted developed countries’ contribution to a climate debt.

During the discussion, participants focused on issues, including: differences between NAMAs and the EU’s proposed low-carbon development strategies; the scientific basis for EU’s figures of 15-30% reductions for developing countries, and whether this goal reflects the level of ambition from developed countries to finance incremental costs; which countries the EU considers as “advanced developing countries”; the role of carbon markets in NAMAs; the role of the NAMA registry in controlling finance; “MRVing” of NAMAs; the role of public funding; the sustainable development component of NAMAs; development of indicators; linkages between carbon markets and REDD; the use of regional and international expertise for verification; whether the registry would focus on actions or countries; and recognition of existing actions by developing countries.

#### AWG-KP CONTACT GROUPS

**LEGAL MATTERS:** Chair Dovland proposed concentrating on his note on possible elements for amendments to the Protocol (FCCC/KP/AWG/2009/3). The G-77/CHINA highlighted the AWG-KP’s mandate and supported focusing on this so-called Chair’s “document 3.” CANADA, TUVALU and several Annex I parties supported also discussing the Chair’s other note, “document 4” (FCCC/KP/AWG/2009/4), which covers issues listed in paragraph 49 of the AWG-KP 6 conclusions.

AUSTRALIA, CANADA and others called for a coherent and consistent outcome from the two AWGs. JAPAN stressed that the post-2012 legal framework must bring together results from both tracks or his country may not be in a position to join it. He expressed interest in Australia’s submission (FCCC/KP/AWG/2009/MISC.6/Add.2) that contains two options: a single new protocol, or a combination of a new protocol and an amended Kyoto Protocol. The G-77/CHINA stressed that these issues should be taken up under the AWG-LCA. Saying the AWG-LCA and the AWG-KP are independent processes, TUVALU favored two legal instruments coming out of Copenhagen. UGANDA and others supported holding a joint AWG-LCA and AWG-KP meeting.

The EU said the Protocol’s text should be kept in its current form to the greatest extent possible with the addition of some new text as needed. The G-77/CHINA and TUVALU supported focusing on the Protocol’s current text, and CHINA highlighted the limited and technical nature of the required changes.

AUSTRALIA noted that the amendment would possibly require complex provisions on its entry into force, linking it to the AWG-LCA’s outcome. The EU mentioned linking entry into force of new commitments to ratifications covering a certain proportion of emissions.

Several parties identified necessary amendments to Protocol Article 3 (Annex I emissions reductions). NEW ZEALAND, supported by ICELAND, proposed a new Annex C allowing flexibility in expressing commitments, but stressed that the intention was not to change the nature of commitments.

TUVALU suggested a new annex allowing voluntary commitments by non-Annex I countries. AUSTRALIA said eligibility criteria for the flexibility mechanisms, as well as the recognition of REDD credits, may need to be considered. The EU noted its proposed new sectoral crediting mechanism, which would also require an amendment to the Protocol. The EU, AUSTRALIA, CANADA and others supported an amendment on privileges and immunities, and TUVALU proposed an amendment related to extending the share of proceeds. CANADA and others called for simplification of amendment procedures.

Delegates then discussed the Chair’s “document 4.” In response to the G-77/CHINA, Chair Dovland explained that the “document 4” intended to clarify the legal implications of various proposals, such as those related to the flexibility mechanisms, LULUCF, metrics and new gases, i.e., whether they require amendments to the Protocol or COP/MOP decisions.

Chair Dovland will prepare a non-paper based on the “document 3” for Thursday morning to serve as a basis for developing a negotiating text.

**POTENTIAL CONSEQUENCES:** The G-77/CHINA, with AUSTRALIA and SAUDI ARABIA, urged consideration of both consequences of response measures and remedies. SENEGAL stated that there was no need to wait for evidence before acting. SAUDI ARABIA called for taking precaution. The G-77/CHINA highlighted that knowledge of consequences already exists. SAUDI ARABIA noted that the impacts of hybrid climate policies are different from the impacts of single policies. ETHIOPIA suggested focusing on assessing consequences, reducing negative impacts to an insignificant level, and addressing residual negative impacts. CANADA supported recognition of positive and negative impacts. She said decisions on how to address consequences are a matter of national sovereignty, and the international response could only consist of recommendations of best practices or considerations.

On reporting efforts to address potential consequences, the EU, with CANADA, noted that reporting requirements exist. NEW ZEALAND and others, opposed by ALGERIA and others, urged the use of national communications to identify consequences. BRAZIL stated that the national communications process was too slow and dependent upon the GEF’s support, and called for continuous reporting. SENEGAL highlighted limited capacity to prepare national communications. NIGERIA supported an independent assessment of consequences and highlighted difficulties in quantifying consequences. ARGENTINA argued for the consideration of regional consequences.

#### IN THE CORRIDORS

Most delegates spent their Wednesday attending a full-day workshop on mitigation by developed and developing countries that many felt was among the most important of all the AWG-LCA workshops. Not surprisingly, the workshop discussions also dominated exchanges in the corridors.

The general mood in the evening could be described as positive with many participants finding the event useful – although not exactly new. Given that some parties had clarified their positions, optimistic delegates reported seeing some possible elements of an agreement (such as the NAMA registry) beginning to take shape. “But if you are looking for big breakthroughs, you will probably have to wait until later in the year,” commented other negotiators, “and, in any case, the key political moves will likely take place somewhere outside this process.” Some of those thinking about the days, and possibly months, ahead seemed slightly worried about rumors over major differences within a large bloc of countries, concerned that such rifts could make it difficult to move forward on various issues.

Those brave enough to contemplate life beyond Copenhagen were heard wondering whether they should plan excursions to Machu Pichu or Teotihuacan in 2010, as the candidacy for COP 16 is now said to be down to Mexico City or Peru.