

SB 30 AND AWG HIGHLIGHTS: THURSDAY, 11 JUNE 2009

In the morning and afternoon, the AWG-LCA met in an informal plenary. Throughout the day, contact groups and informal consultations took place under the AWG-KP.

AWG-LCA INFORMAL PLENARY

FINANCE: The AWG-LCA informal plenary convened in the morning to continue considering the draft negotiating text. AWG-LCA Chair Zammit Cutajar introduced the revised text on finance, which, *inter alia*, incorporates new textual proposals received from parties, and includes brackets around text that parties proposed deleting during the first meeting.

The second reading of the text on finance then commenced with parties identifying additions and corrections. The Philippines, for the G-77/CHINA, noted that the finance text was shorter than other sections and stressed the importance of the issue.

MITIGATION: In the afternoon, the AWG-LCA focused on the revised draft negotiating text on mitigation, starting with a combined first and second reading of the text relating to paragraphs 1(b)iv-vi of the Bali Action Plan.

On economic and social consequences of response measures, SAUDI ARABIA opposed a structural proposal by some parties to hold the whole section in abeyance pending results of relevant work under the joint SBSTA/SBI contact group and the AWG-KP. He also opposed reference to environmental consequences in this section, while proposing reference to Convention Article 3.2 (burden sharing) as well as to a paragraph in the Convention's preamble, which refers to developing countries whose economies are particularly dependent on fossil fuel production, use and exportation.

JAPAN opposed creating a forum focused on sharing information, experiences and views on the economic and social consequences of response measures. TUVALU urged focusing on low-income countries, and particularly the effects on women and children. He stressed that policies and measures should be undertaken to ensure mitigation does not contribute to deforestation and forest degradation.

On approaches to enhance cost-effectiveness of mitigation actions, including markets, the EU called for a common vision on how the global carbon market may develop, taking into

consideration the relationship between the market mechanisms created under the Protocol and those being proposed under the AWG-LCA. JAPAN expressed reservation with options seeking to limit to 10% the provision of credits for offsetting reduction targets of developed countries. TUVALU expressed concern over the use of Protocol terminology in the text, emphasizing that the AWG-LCA's work should not be a substitute for the extension of the Protocol into a second commitment period.

On cooperative sectoral approaches and sector-specific approaches, the G-77/CHINA said that sectoral efforts may contribute to, but should not replace, legally-binding mitigation commitments by Annex I countries. With respect to mitigation by developing countries, she said sectoral efforts could be included in "the toolbox for NAMAs." JAPAN supported incorporating sectoral approaches into finance and technology mechanisms, and proposed establishing a sectoral advisory group, which would match support and actions to achieve emission reductions.

The EU stressed the importance of the agricultural sector and highlighted the need for global action regarding the maritime and aviation sectors. AUSTRALIA stressed that all sectors and sources related to international aviation and maritime emissions should be addressed. She said that achieving emission reductions in these sectors requires a concerted effort from all countries, in an effective and equitable manner, to avoid trade distortions and impacts on sectors, such as tourism. She supported an indicative global emission reduction goal for each of the two sectors, and proposed agreeing at COP 15 to commence negotiations on two new treaties to address emissions from aviation and maritime transport under the Convention, and concluding the negotiations by COP 17.

TANZANIA, for LDCs, said sectoral approaches should be tailor made, taking into account the specific needs of LDCs, and assist in fostering national initiatives relevant to research and development.

While appreciating the value of international cooperation regarding mitigation in the agricultural sector, TUVALU said sectoral approaches would be better considered under NAMAs, and cautioned against creating a new sectoral offsetting mechanism. Regarding bunker fuels, he highlighted opportunities for bunker fuels to generate new sources of funding, while noting that more focused work on bunker fuels

was being done under the AWG-KP. ALGERIA stressed that sectoral approaches and sector-specific actions should not be used to circumvent or undermine differences between Annex I and non-Annex I countries. Regarding air transport, he expressed concern that significant constraints could be imposed on developing country airlines, and said they should be exempt or given financial and technical support without incurring incremental costs.

Parties then proceeded to the second reading of text relating to paragraphs 1(b)i-iii of the Bali Action Plan, as well as text introduced for a chapeau or preamble to the mitigation chapter. Some parties proposed detailed additions to the text and others suggested corrections to ensure that their proposals were properly reflected.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

POTENTIAL CONSEQUENCES (AWG-KP): During a contact group, parties continued to work on draft text. Issues addressed included, *inter alia*: the use of technology to address potential consequences; coordination of work with other UNFCCC processes; relevant decisions and articles under the Protocol; and vulnerability and ability to respond to the potential consequences of response measures.

AUSTRALIA opposed inclusion of a paragraph on technology transfer, noting that these issues are being considered under the SBI and SBSTA. South Africa, for the G-77/CHINA, stressed that the text on technology was in reference to implementation, and that finance and risk management tools were also addressed under the current subheading on use of technology. SAUDI ARABIA supported reference to economic diversification and highlighted that work under the SBI and SBSTA on Protocol Article 2.3 (adverse effects of policies and measures) and Protocol Article 3.14 (adverse effects and impact of response measures) focuses on current commitments, while this contact group's work is related to future commitments. Discussions will continue.

ANNEX I EMISSION REDUCTIONS (AWG-KP): During a morning contact group, the Co-Chairs invited South Africa and the Philippines to explain their proposed individual targets for Annex I parties.

SOUTH AFRICA explained that the starting point for their proposal is an aggregate reduction range by Annex I countries of 40% below 1990 levels by 2020, based on the most ambitious scenario outlined in the IPCC AR4. He said this aggregate target was then allocated among Annex I countries based on responsibility and capability. He specified that responsibility covered, in particular, responsibility for cumulative emissions since the industrial revolution, calculated using the period 1850-2005, and that capability encompassed a broader assessment than just *per capita* income.

The PHILIPPINES said they used a similar methodology and criteria to South Africa, with different aggregate numbers as a starting point. He explained that the numbers they used were: 30% aggregate reduction by Annex I countries in the second commitment period 2013-2017, and 50% aggregate reduction in the third commitment period 2018-2022.

Responding to questions, SOUTH AFRICA explained that: responsibility was given a 60% weighting and capability was given 40%; the UNDP Human Development Index (HDI) was

applied as an adjustment to the capability criterion; and the historical data used was obtained from the World Resources Institute's Climate Analysis Indicators Tool and the IPCC.

JAPAN highlighted a high level of uncertainty in the data used and questioned its use as a basis for a legally-binding agreement. SOUTH AFRICA, INDIA and others stressed that the datasets were reliable indicators of historical responsibility. INDIA and BRAZIL noted that much scientific data, including climate change data, contains varying degrees of uncertainty and underlined that this does not preclude actions broadly based on these datasets. NEW ZEALAND underscored the need to come up with "politically acceptable" numbers.

IN THE CORRIDORS

Even after the conclusion of the SBs, the corridors of the Maritim remained busy on Thursday. Many commented that it was also "a noisy day" - throughout the morning, a loud "climate alarm" blared from NGO activists outside the hotel. Some delegates were amused and others welcomed the protest as a useful reminder of the seriousness of the issues being discussed. However, some of those working closer to the source of the noise were not so understanding: "I felt it was quite effective - if the aim was to prevent us from concentrating on our work," one delegate half-joked.

Those following the AWG-LCA seemed already willing to reflect on the session's achievements and the possible way forward. While some seemed puzzled by the brevity of the second week's AWG-LCA plenary sessions, others praised the immense amount of important work that went into putting together the text, which has now grown to over 200 pages. "What we did was useful - and going through the text in an informal plenary setting, paragraph by paragraph, would not have been helpful," said one delegate. He seemed optimistic that what might have seemed like a "short-term loss of time" could be made up for at Bonn 3. "Realistically, not much more could have been expected at this session," another delegate added.

Outside the plenary, one of the main topics discussed in the corridors was how the AWG-KP would move forward. During the day, the form and content of the AWG-KP 8 conclusions were being worked out in a series of informal consultations with the AWG-KP Chair. For some of those emerging from final informal consultations at around 8 pm, the mood was resigned: "We couldn't agree on a mandate for the Chair to communicate text on possible Protocol amendments, so it looks like all we'll be asking him to do is to prepare documentation to facilitate discussions next time," one delegate reported. "It would have been nice to forward jointly a legal text," said another, "but it's a negotiation, and I see why others didn't want to." Some were surprised that the evening's informal AWG-KP meeting ended up being so short. One senior delegate however was happy with the early finish, saying he had been worried about having to pull an all-nighter.

ENB SUMMARY AND ANALYSIS: The *Earth Negotiations Bulletin* summary and analysis of SB 30 and the AWG meetings will be available on Monday, 15 June 2009 online at: <http://www.iisd.ca/climate/sb30/>