

AWG-LCA 12 AND AWG-KP 14 HIGHLIGHTS: MONDAY, 4 OCTOBER 2010

The Tianjin Climate Change Talks opened on Monday morning with a welcoming ceremony. In the morning, the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) opening plenary took place, followed by the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) opening plenary. In the afternoon, drafting groups convened under the AWG-LCA to consider shared vision, adaptation, and finance, technology and capacity building. Contact groups on Annex I emission reductions and other issues convened under the AWG-KP.

WELCOMING CEREMONY

Huang Xingguo, Mayor of Tianjin, welcomed participants to Tianjin, which he described as China's model for developing circular economies. He said the meeting is an illustration of China's efforts to implement the Bali Roadmap. UNFCCC Executive Secretary Christiana Figueres emphasized the need to prevent multilateralism from being seen as "an endless road" and urged parties to prevent climate change impacts from erasing development progress. She said a set of COP and COP/MOP decisions could be an achievable outcome in Cancun, which could include adaptation and technology transfer frameworks, capacity building, a financial mechanism and the launch of a readiness phase for reducing emissions from deforestation and forest degradation in developing countries (REDD). She stressed that these issues cannot advance without clarity on sensitive political issues including fast-start financing, the future of the Kyoto Protocol, formalization of previous commitments made by parties, long-term finance, response measures and an understanding of "fairness" to guide long-term work.

Dai Bingguo, State Councilor, China, called for countries to reach consensus on a legally-binding agreement at an early date. He highlighted China's mitigation targets and suggested that parties: adhere to the UNFCCC framework and build on the outcomes of the Copenhagen Conference to promote the implementation of the UNFCCC and the Kyoto Protocol; follow the principles of common but differentiated responsibilities to

set targets for developed countries and "flesh out" financial and technological support to developing countries; and strike a balance between economic development, poverty eradication and climate protection.

AWG-LCA OPENING PLENARY

ORGANIZATIONAL MATTERS: Chair Margaret Mukahanana-Sangarwe (Zimbabwe) described this session as "make or break towards the Cancun outcome." She suggested that parties focus on issues that are achievable in the time remaining before Cancun, bearing in mind the need for a balance among the elements of the Bali Action Plan (BAP). She also outlined her intention to present a set of draft decisions to COP 16, which are close to being fully agreed. Parties then adopted the agenda (FCCC/AWGLCA/2010/12) and agreed to the organization of work (FCCC/AWGLCA/2010/12 and 13).

PREPARATION OF AN OUTCOME AT COP 16:

The Secretariat introduced the documentation (FCCC/AWGLCA/2010/13-14; MISCs.6-7). Reporting on intersessional meetings, MEXICO outlined preparations for Cancun, including: the Informal Ministerial Dialogue on Climate Finance; a series of activities held in conjunction with the 65th Session of the UN General Assembly in September 2010 in New York, US; and an international technical workshop for States and indigenous peoples in preparation for COP 16, also held in September 2010 in Mexico.

SWITZERLAND reported on the results of the Informal Ministerial Dialogue on Climate Finance, which took place from 2-3 September 2010 in Geneva, Switzerland. He noted that four issues had been discussed: a new climate fund; the role of the private sector; the fund structure; and the sources of long-term finance. He concluded that constructive proposals had been made during this informal dialogue, which would feed into the formal negotiations under the UNFCCC.

OPENING STATEMENTS: Parties generally expressed support for the adoption of a balanced set of decisions in Cancun. Yemen, for the G-77/CHINA, emphasized that the AWG-LCA's work should be based on the principles and provisions of the Convention and the BAP, and should not re-classify or differentiate amongst developing countries. He called for: continuing negotiations and determining elements

ready for inclusion in a balanced package; adopting decisions in Cancun in accordance with the BAP; respecting the balance between the two negotiating tracks; and ensuring that these decisions do not compromise the overall objective of a comprehensive and ambitious legally-binding outcome.

The Democratic Republic of the Congo, for the AFRICAN GROUP, called for establishing new mechanisms, including an adaptation committee to provide technical support for implementing enhanced adaptation action and a fund under the COP with assessed contributions by developed countries of 1.5% of gross domestic product (GDP) per year. He said the AWG-LCA should focus on enhancing the level of ambition of Annex I countries not party to the Kyoto Protocol, and on reducing emissions from deforestation and forest degradation; plus conservation (REDD+). He called on parties to avoid the insertion of text that deviates from what was agreed at previous sessions.

Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), said COP 16 should demonstrate that the international community will deliver a legally-binding outcome within a clear deadline. She proposed decisions on: the establishment of a permanent body to assist in the design and implementation of adaptation actions; institutional arrangements to address loss and damages; REDD+; capacity building; and response measures. On mitigation, she called for building on the Kyoto Protocol for developed country MRV, and suggested adopting new rules for developing countries on national communications and frequency of inventories. On finance, she called for the formal establishment of a new fund and oversight body.

Lesotho, for the LEAST DEVELOPED COUNTRIES (LDCs), urged parties to identify and focus on issues on which concrete decisions can be made in Cancun. He called for massively scaled-up, accessible and additional funding for LDCs, and, on adaptation, said the LDCs should receive 70% of the proposed 1.5% of Annex I parties' GDP for adaptation.

The EU highlighted that its overall goal for Cancun is to make as much progress as possible towards an ambitious, comprehensive and legally-binding outcome in line with the 2°C objective. He highlighted that the EU looks forward to the establishment of an adaptation framework and a technology mechanism together with their institutional arrangements, and noted the need for a decision regarding the establishment of the Copenhagen Green Climate Fund and for fast-start finance. He reaffirmed that the EU will contribute €2.4 billion annually over the period of 2010-2012 for fast-start finance.

Australia, for the UMBRELLA GROUP, noted that decisions should: lock-in achievements to date; outline pathways for further progress; and galvanize immediate action by implementing the Copenhagen Accord. She also highlighted MRV and international consultation and analysis as essential parts of any balanced package in Cancun.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, emphasized the importance of progress under the AWG-LCA and said that parties should strive to have a set of draft decisions by the end of the week.

Belize, for the CENTRAL AMERICAN INTEGRATION SYSTEM (SICA), supported peaking of greenhouse gas (GHG) emissions by 2015 and called for progress on adaptation and finance.

Venezuela, for the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA), called for balanced progress on all elements of the BAP, to enable adoption of a legally-binding instrument in Cancun that will strengthen and supplement the Kyoto Protocol. She said the instrument should include all developed countries.

Egypt, for the ARAB GROUP, supported focusing negotiations on issues that could be agreed and reaching a balanced agreement. He said the BAP is the basis for negotiations under the two AWGs and that the outcomes of Cancun must be in agreement with the principles of the UNFCCC and Kyoto Protocol, including the principle of common but differentiated responsibilities, and provision of finance and technology to developing countries.

CHILE, also speaking for Colombia, Costa Rica, Peru and the Dominican Republic, noted that a balanced package of decisions is "neither nebulous nor vague."

ICLEI-Local Governments for Sustainability, for LOCAL GOVERNMENT AND MUNICIPAL AUTHORITIES, expressed concern at the lack of reference to the local level and decentralized action, particularly in the text on mitigation.

The International Chamber of Commerce, on behalf of BUSINESS AND INDUSTRY NGOS (BINGOs), called for prioritizing outcomes that provide for: comparable and cooperative long-term actions; guidance on GHG inventory methodologies; and consideration of MRV of national actions.

Climate Action Network, on behalf of ENVIRONMENTAL NGOS (ENGOS), expressed high expectations for Cancun, urged parties to move beyond "nothing is agreed until everything is agreed" and underlined the need for convergence to agree on a clear mandate for a binding deal to be concluded at COP 17. Friends of the Earth, for ENGOS, lamented attempts to "dismantle" the UNFCCC architecture and replace it with a pledge-based approach, and said climate financing should not be used as a bargaining chip against developing countries.

Global Campaign for Climate Action, for YOUTH NGOS (YOUNGOS), noted that despite Copenhagen, the global climate movement is growing as people continue to experience climate impacts in their countries. She called for an international agreement in line with science and justice.

International Federation of Agricultural Producers, for the FARMERS CONSTITUENCY, emphasized the importance of: ensuring local and global food security; addressing the adaptation needs of farmers; and including agriculture in the negotiating text.

Tebtebba, on behalf of INDIGENOUS PEOPLES, called for the recognition of indigenous peoples' rights pursuant to the UN Declaration on Rights of Indigenous Peoples (UNDRIP).

Gender CC-Women for Climate Justice, for GENDER NGOS, underlined the importance of sustainable low carbon development and said women wish to see a society with public transportation, renewable energy and energy efficient housing.

AWG-LCA CONTACT GROUP: Chair Mukahanana-Sangarwe opened the first meeting of the AWG-LCA contact group. She proposed continuation of the four drafting groups established at AWG-LCA 11, namely: a shared vision, facilitated by Anders Turesson (Sweden); adaptation, facilitated by Kishan Kumarsingh (Trinidad and Tobago); mitigation, facilitated by Richard Muyungi (Tanzania) and Audun Rosland (Norway); and finance, technology and capacity building, facilitated by Burhan Gafoor (Singapore) and Maas Goote (the Netherlands). She said spin-off groups may also be established to work on specific issues.

AWG-LCA CONTACT GROUPS

ADAPTATION DRAFTING GROUP: Facilitator Kishan Kumarsingh gave an overview of work carried out during the August session. He said the aim of discussions would be to continue reducing the options under each cluster in order to streamline the text.

After discussion, parties agreed to begin by addressing two options for institutional arrangements: establishing an adaptation committee; or strengthening, enhancing and better utilizing existing institutional arrangements. Many developing countries expressed preference for the first option. Some parties also noted that elements from the second option could be integrated into the first option. One developed country said the first option should consider existing institutions and urged coherence between what is proposed and what already exists.

Parties also considered two options on addressing loss and damage: establishing an international mechanism; or strengthening international cooperation and expertise.

SHARED VISION DRAFTING GROUP: The drafting group on shared vision considered the sequence of work and began moving paragraph-by-paragraph through the text. Many developing countries emphasized that all elements of the BAP must be treated in an integrated manner in the shared vision text.

Parties agreed to begin discussions with paragraph 68 of the draft text, on periodic review of the long-term goal in light of the Convention's ultimate objective. In several textual formulations, a diverse group of countries, opposed by others, supported reviewing the "adequacy" of the long-term goal and the commitments and actions on mitigation, adaptation, finance, technology development and transfer, and capacity building.

On paragraph 69, addressing elements the review should take into account, a developing country group proposed using impacts on LDCs and small island developing states (SIDS) as key benchmarks for assessing adequacy of the long-term goal. One developed country suggested including information on technology availability, economic costs, level of effort and "individual and collective barriers to further effort." Several developing countries requested replacement of "best available" science with "peer reviewed" science.

FINANCE, TECHNOLOGY AND CAPACITY BUILDING DRAFTING GROUP: In the afternoon, discussions focused on the establishment of a new fund (para. 60, Chapter I and para.8, Chapter III, FCCC/AWGLCA/2010/14), which received general support from parties. Several developing countries emphasized the need to determine the scale and sources of financing and underlined that the fund should be part of the UNFCCC process.

Some developed countries underscored the need for a balanced package in Cancun, noting that financing, technology and capacity building constitute important elements of this package. Some parties said that the fund should have a governance structure, which: functions under the COP; has a clearly identifiable oversight mechanism; and comprises a balanced and equitable representation of parties. Some parties noted the need for the fund to be subjected to MRV.

The contact group decided to establish a spin-off group on the new fund.

AWG-KP OPENING PLENARY

ORGANIZATIONAL MATTERS: Chair John Ashe (Antigua and Barbuda) opened the session, noting that the main task is to narrow down options in the Chair's text (FCCC/KP/AWG/2010/CRP.2).

Parties adopted the agenda (FCCC/KP/AWG/2010/12) and agreed to the organization of work (FCCC/KP/AWG/2010/13).

ANNEX I PARTIES' FURTHER COMMITMENTS: Chair Ashe introduced submissions by parties on the Chair's text (FCCC/KP/AWG/2010/MISC.6). He said four contact groups would meet on: scale of emission reductions ("numbers"), co-chaired by Jürgen Lefevere (EU) and Janine Coye Felson (Belize); other issues, including LULUCF, the flexibility mechanisms and methodological issues, chaired by AWG-KP Vice-Chair Adrian Macey (New Zealand); potential consequences, co-chaired by Eduardo Calvo Buendía (Peru) and Andrew Ure (Australia); and legal matters, co-chaired by Gerhard Loibl (Austria) and Daniel Ortega (Ecuador).

OPENING STATEMENTS: Yemen, for the G-77/CHINA, expressed concern at slow progress in adopting conclusions on the scale of Annex I emission reduction targets. He insisted on a second commitment period for Annex I parties, highlighted the insufficiency of current pledges and said the current text should be used as the basis for negotiations.

Belgium, for the EU, called for an ambitious post-2012 regime and emphasized preference for a single legally-binding agreement incorporating essential elements of the Kyoto Protocol. He however underscored flexibility on a second commitment period as part of a global legally-binding agreement, with a "fair share" of emission reductions undertaken by Annex I countries not party to the Kyoto Protocol and other major emitters.

Australia, for the UMBRELLA GROUP, expressed commitment to being part of a durable, fair, effective and comprehensive outcome with the participation of all major economies. She said there could not be further clarity on numbers until rules and the broad post-2012 outcomes are clarified.

Grenada, for AOSIS, called for: reaching agreement on a five-year second commitment period with 1990 as the single, legally-binding, base year; agreeing on LULUCF accounting rules; identifying feasible ways to address surplus assigned amount units (AAUs); agreeing on a transparent process to transform mitigation pledges into quantified emission limitation and reduction objectives (QELROs); and increasing the aggregate level of ambition.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, stressed the importance of QELROs as part of the package moving towards a balanced and fair climate regime. He called for clarifying rules and options affecting level of ambition, including LULUCF accounting rules, length of commitment periods, the basket of gases and carryover of surplus AAUs.

Lesotho, for the LDCs, called on developed countries to show the leadership and political will necessary to combat climate change. He underscored the need to work towards a concrete and achievable outcome in Cancun that would serve as the basis for an ambitious and legally-binding outcome. He said guidelines for the treatment of LULUCF and rules to improve the geographical distribution of Clean Development Mechanism (CDM) projects must be finalized.

Belize, for SICA, called for Annex I parties to raise their level of ambition and highlighted the need to avoid a gap between commitment periods. Egypt, for the ARAB GROUP, said that agreement on a second commitment period is a top priority that requires engagement and movement away from the precondition that all parties take on responsibilities. He welcomed the Chair's text as a good basis for negotiations. Bolivia, on behalf of ALBA, lamented efforts to "eliminate the Kyoto Protocol," underlined the urgency of the AWG-KP's work and said this must be concluded at COP/MOP 6 in Cancun.

The Democratic Republic of the Congo, for the AFRICAN GROUP, underscored the need to amend the Kyoto Protocol to establish a second and subsequent commitment periods, and lamented signs that Annex I parties are not fully committed to an agreement under the AWG-KP. He further: highlighted a commitment to conclude LULUCF negotiations; welcomed progress on rules for forest management accounting; called for exploring legal options on a possible gap between commitment periods; and urged continued work on adoption of rules and methodologies for small- and medium-scale CDM projects.

BINGOs encouraged efforts to consult on issues of common concern between the two AWGs, noting that the linkages and overlap remain confusing and that the business sector requires clarity regarding commitments and the means available to achieve them. ICLEI highlighted that successful climate action at the local level can be scaled up. YOUNGOs emphasized that participants are here to "fight for a better life and a better world."

ENGOs said that CDM projects should not cause loss of livelihoods and INDIGENOUS PEOPLES called for a binding outcome under the Kyoto Protocol, which: recognizes indigenous rights as defined in the UNDRIP; closes LULUCF loopholes; and uses a fund-based, rather than a market-based, approach. CLIMATE ACTION NETWORK said the best adaptation is urgent mitigation and called for closing the 7-10 gigatonne gap. TRADE UNIONS called on Annex I countries to make a transition to a low carbon economy that respects workers.

OTHER MATTERS: Chair Ashe noted that Shin Yeon-Sung (Republic of Korea) would continue to conduct informal consultations with parties on issues of common interest between the AWG-LCA and AWG-KP.

AWG-KP CONTACT GROUPS

"OTHER ISSUES" CONTACT GROUP: Recalling the objective of narrowing down options in the Chair's text (FCCC/KP/AWG/2010/CRP.2), AWG-KP Vice-Chair Macey highlighted progress made on LULUCF during the August session. He noted that there would be five informal consultations on LULUCF, co-facilitated by Marcelo Rocha (Brazil) and Peter Iversen (Denmark), as well as two meetings of each of the spin-off groups on flexibility mechanisms and the basket of methodological issues, both facilitated by himself. He said there would be three contact groups, including one devoted to LULUCF, and provisions would be made for a joint meeting with the numbers group.

ANNEX I EMISSION REDUCTIONS ("NUMBERS") CONTACT GROUP: Co-Chair Jürgen Lefevere explained that the focus of discussions would be on further streamlining the Chair's text on Annex I parties' further commitments (FCCC/KP/AWG/2010/CRP.2), noting that AWG-KP Chair Ashe had requested that parties work towards significantly reducing this text. He outlined the proposed work plan for the contact group, to include discussions on: transforming pledges into QELROs; efforts and achievements to date and carryover of surplus AAUs; and the aggregate and individual scale of emission reductions, including duration of commitment periods and base year.

Co-Chair Lefevere informed parties that a paper setting out efforts and achievements to date was being prepared. He further noted that several parties had drawn attention to errors in the Chair's text or to the fact that the text does not fully reflect their views, and invited these parties to identify such mistakes or gaps. The FEDERATED STATES OF MICRONESIA and BRAZIL then provided clarification regarding their proposals on various issues such as Annex I parties' commitments and carryover of surplus AAUs, and also identified mistakes in the Chair's text.

IN THE CORRIDORS

The spacious corridors of the impressive new Tianjin Meijiang Convention and Exhibition Center were remarkably subdued on the opening day of the Tianjin Climate Change Talks, with weary negotiators complaining of "meeting fatigue" and grumbling that there did not appear to be an end in sight. Many negotiators appeared resigned to the inevitability of not obtaining a legally-binding agreement before COP 17 in South Africa, as they discussed what a "balanced" set of decisions for COP 16 could look like. "We need to know what we are going to forward to the COP and COP/MOP before we get to Cancun," remarked one delegate, "we have to learn from the chaos of Copenhagen." Another noted that "while many of us think that we need to move past the mantra of 'nothing is agreed until everything is agreed,' it is going to be difficult to find common ground on what the set of decisions will be."

After the AWG-KP contact group on "numbers," some delegates lamented that they had run out of things to say and were not quite sure if they could add anything new to the discussions during the coming week, while continuing to underscore that the pledges on the table "won't keep us under 2°C." "Anyway, let's wait and see" one commented, "we never can tell, there may be some surprises in store for us."