Earth Negotiations Bulletin
SB 34 #5
A Reporting Service for Environment and Development Negotiations
Online at http://www.iisd.ca/climate/sb34/
Vol. 12 No. 506 Published by the International Institute for Sustainable Development (IISD) Friday, 10 June 2011

SB 34 AND AWG HIGHLIGHTS: THURSDAY, 9 JUNE 2011

In the morning, the SBTA opening plenary convened. The SBI opening plenary took place in the afternoon and evening. In the morning and afternoon, the AWG-LCA workshop on mitigation by developed countries took place. A contact group and various informal meetings were also held under the AWG-LCA throughout the day on issues, including technology, adaptation and shared vision.

SBSTA OPENING PLENARY

On Thursday morning, SBSTA Chair Mama Konaté (Mali) introduced the revised provisional agenda (FCCC/SBSTA/2011/L.1). He noted successful resolution of consultations on the proposed agenda item on REDD and agreement to amend the title to methodological guidance for activities relating to REDD+.

On the proposed agenda item on a forum on the impact of implementation of response measures, SBSTA Chair Konaté noted intense consultations and absence of an acceptable formulation. Noting the objection from Bolivia to reference to Decision 1/CP.16 (outcome of the AWG-LCA's work), he said the SBI and SBSTA Chairs would convene the forum under their authority at SB 34 and 35, regardless of agreement on the title. He explained that the objective of this forum would be to develop a work programme to address these impacts with a view to adopting modalities for the operationalization of the work programme and a possible forum on response measures. He clarified the forum would operate as a contact group.

Parties then adopted the proposed agenda and organization of work on the understanding that consultations would continue on proposed new agenda items on water resources, blue carbon, agriculture, and the rights of nature and ecosystems. Parties also agreed that the meeting's report will clarify that "Decision 1/CP.16 was adopted over the formal and explicit objection of a state party."

NAIROBI WORK PROGRAMME ON IMPACTS, VULNERABILITY AND ADAPTATION (NWP): On this item (FCCC/SBSTA/2011/INF.2 and MISC.3), parties agreed to establish a contact group, co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Don Lemmen (Canada).

METHODOLOGICAL GUIDANCE FOR ACTIVITIES RELATING TO REDD+: SBSTA Chair Konaté explained that Decision 1/CP.16 (outcome of the AWG-LCA's work) and appendix 2 (FCCC/CP/2010/7/Add.1) established a SBSTA work programme on issues relating to REDD+.

BOLIVIA emphasized that the work should also include other issues. TUVALU requested the work not be restricted to appendix 2. He questioned the SBSTA Chair's statement that the SBSTA's work would inform work on LULUCF, underscoring that LULUCF is considered under the AWG-KP. The Secretariat clarified that discussion is not restricted to appendix 2 and that the agenda item covers issues that fall under the title.

The SBSTA plenary will resume on Friday.

SBI OPENING PLENARY

ORGANIZATIONAL MATTERS: SBI Chair Robert Owen-Jones (Australia) informed parties of revisions to the provisional agenda (FCCC/SBI/2011/L.1) as follows: the sub-item on information contained in non-Annex I national communications would be held in abeyance and placed on SBI 35's provisional agenda; and sub-items 3(e) and 4(e) on revision of guidelines on the reporting of national communications, including the biennial reports for Annex I parties, and development of guidelines for biennial reports as part of non-Annex I national communications, respectively, together with the relevant footnotes, would be deleted from the agenda. He further clarified that regarding the item on a forum on the impact of the implementation of response measures, the SBI would proceed in the same manner as the SBSTA, and would convene a forum at SB 34 and 35.

Parties then adopted the revised provisional agenda as proposed and agreed to the organization of work (FCCC/SBI/2011/L.1/Rev.1).

BOLIVIA requested a footnote in the adopted provisional agenda stating that Decision 1/CP.16 had been adopted despite the explicit objection of a Convention party. Chair Owen-Jones said this would be reflected in the meeting's report. MEXICO said the meeting's report should reflect what actually happened in Cancun. TUVALU and BARBADOS expressed disappointment at the deletion of items 3(e) and 4(e) and sought reassurance that these items would be taken up by the AWG-LCA.

OPENING STATEMENTS: Argentina, for the G-77/CHINA, emphasized that new processes requiring further political development, as well as unresolved issues, should

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Tomilola "Tomi" Akanle, Asheline Appleton, Kati Kulovesi, Ph.D., Eugenia Recio, Anna Schulz, and Liz Willetts. The Digital Editor is Leila Mead. The Editor is Pamela S. Chasek, Ph.D. <pam@iisd.org>. The Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the Government of the United States of America (through the Department of State Bureau of Oceans and International Environmental and Scientific Affairs), the Government of Canada (through CIDA), the Danish Ministry of Foreign Affairs, the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the European Commission (DG-ENV), and the Italian Ministry for the Environment, Land and Sea. General Support for the *Bulletin* during 2011 is provided by the Norwegian Ministry of Foreign Affairs, the Government of Australia, the Ministry of Environment of Sweden, the New Zealand Ministry of Foreign Affairs and Trade, SWAN International, Swiss Federal Office for the Environment (FOEN), the Finnish Ministry for Foreign Affairs, the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES), the Japanese Ministry of Economy, Trade and Industry (through the Global Industrial and Social Progress Research Institute – GISPRI) and the United Nations Environment Programme (UNEP). Funding for translation of the *Bulletin* into French has been provided by the Government of France, the Belgium Walloon Region, the Province of Québec, and the International Organization of the Francophone (OIF and IEPF). Funding for translation of the *Bulletin* into Spanish has been provided by the Spanish Ministry of the Environment and Rural and Marine Affairs. The opinions expressed in the *Bulletin* are those of the authors and do not necessarily reflect the views of IISD or other donors. Excerpts from the *Bulletin* may be used in non-commercial publications with appropriate academic citation. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-646-536-7556 or 300 East 56th St., 11D, New York, New York 10022, USA. The ENB Team at the UN Climate Change Conference June 2011 can be contacted by e-mail at <kati@iisd.org>. 代表団の友

continue to be considered by the AWG-LCA. He highlighted difficulties faced by developing countries in preparing their national communications, noting additional reporting obligations contained in the Cancun Agreements. The EU expressed disappointment that the agenda item on MRV had failed to move forward under the SBI and looked forward to substantive discussions under the AWG-LCA.

Australia, for the UMBRELLA GROUP, emphasized the importance of issues including implementing the headquarters agreement and budgetary austerity, and looked forward to discussing national communications and inventories under the AWG-LCA. The Republic of Korea, for the ENVIRONMENTAL INTEGRITY GROUP, supported a consistent approach in the work of the Subsidiary Bodies in order to make meaningful progress on related agenda items such as adaptation, technology, MRV, national communications for both developed and developing countries, and the financial mechanism.

Grenada, for AOSIS, called for urgent focus on a loss and damage work programme. She underscored the need to avoid duplication of work with the AWG-LCA and urged not using the SBI as a substitute for avoiding the hard decisions that have to be made under the AWG-LCA. On adaptation, the Democratic Republic of the Congo, for the AFRICAN GROUP, highlighted: the development of modalities and guidelines on the process for LDCs to formulate and implement national adaptation plans (NAPs); modalities and guidelines for the NAPs of developing countries in general; and concluding the work programme on loss and damage.

Guatemala, for the CENTRAL AMERICAN INTEGRATION SYSTEM (SICA), stressed that adaptation continues to be a priority for the region and also highlighted the importance of measuring loss and damage. The Gambia, for the LDCs, expressed concern regarding the challenges impeding expedited implementation of projects identified in national adaptation programmes of action (NAPAs), particularly the requirement for co-financing, saying this is inappropriate for the implementation of the urgent activities identified in NAPAs.

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance for the biennium 2010-2011: The Secretariat introduced the issues (FCCC/SBI/2011/INF.3 and INF.5). SBI Chair Owen-Jones will draft conclusions.

Programme budget for the biennium 2012-2013: UNFCCC Executive Secretariat Christiana Figueres introduced the item (FCCC/SBI/2011/2 and Adds. 1-3), highlighting increased demands and budgetary constraints as a major challenge.

AUSTRALIA expressed support for the proposed budget. SBI Chair Owen-Jones will chair a contact group. Toshiaki Nagata (Japan) will facilitate a spin-off group on the international transaction log budget.

Implementation of the headquarters agreement: GERMANY reported on progress regarding the UNFCCC Secretariat's accommodation and the expected completion of the World Conference Center in 2013. SBI Chair Owen-Jones will facilitate informal consultations.

Privileges and immunities: Kunihiko Shimada (Japan) will chair a contact group.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: UNFCCC Executive Secretary Figueres reported on issues relating to possible intersessional meetings to be held in September/October, recalling that the Bureau had agreed on the need for such meetings. She said the Secretariat has identified possible venues but that no financial support has been received. Executive Secretary Figueres said that unless contributions or formal commitments are received by 17 June, it will not be possible to organize additional sessions. SOUTH AFRICA informed parties that the South African ambassador will host a public meeting on Saturday to address issues and concerns regarding travel preparations for COP 17.

SBI Chair Owen-Jones will chair a contact group on this item.

FINANCIAL MECHANISM: Ana Fornells de Frutos (Spain) and Alexa Kleysteuber (Chile) will co-chair a contact group.

ARTICLE 6 OF THE CONVENTION (education, training and public awareness): Mohammed Chowdhury (Bangladesh) will chair a contact group.

DEVELOPMENT AND TRANSFER OF TECHNOLOGIES: Carlos Fuller (Belize) and Zitouni Ould-Dada (UK) will facilitate informal consultations.

The SBI plenary will resume on Friday.

AWG-LCA WORKSHOP

The AWG-LCA workshop on mitigation by developed countries was facilitated by José Alberto Garibaldi (Peru).

Canada noted his country's commitment to reducing emissions domestically by 17% from 2005 levels by 2020, including LULUCF. He explained that, measured against projected future emissions growth, Canada's level of ambition is in line with that of other developed countries. Recognizing that his country's emissions have grown since 1990, Canada noted that emissions fell significantly in 2009 due to the economic situation, and that government action is expected to reduce projected growth. Canada highlighted, *inter alia*: decoupling growth of Gross Domestic Product (GDP) and emissions; plans to take a sector-by-sector regulatory approach, aligned with the US where appropriate; and important investments in carbon capture and storage (CCS).

The EU observed that it is delivering on its Kyoto commitment and that its emissions are declining while GDP is growing. He explained that there will be no gap in the EU's mitigation activities after the first commitment period, as the new legislation to implement the 20% reduction target will apply from 2013 onwards. Urging collaborative efforts, he noted the EU's offer to increase the reduction target to 30% and underscored increasing ambition as an opportunity in terms of energy security, innovation, growth, jobs and health benefits. The EU stressed the need for transparent accounting rules and for establishment of new market mechanisms in Durban. He called for action on international aviation and maritime transport and hydrofluorocarbons, also urging all developed countries to deliver domestically on their pledges and examine ways to step up efforts.

AOSIS underscored that global sea level is projected to rise by 0.9-1.6 meters by 2100. She also noted that carryover of surplus Assigned Amount Units (AAUs) from the first commitment period and LULUCF rules result in Annex I countries'current pledges being far below the 25 - 40% emission reduction range in the IPCC AR4 and even further from the 45% reduction sought by AOSIS. In order to close this gap, she suggested, *inter alia*, an increase in the level of ambition and action, limiting the use of LULUCF and no carryover of surplus AAUs. She said a work programme on ways to increase the level of ambition by

Annex I parties up to Durban could contribute towards a legally-binding agreement as the basis for collective action, common rules on measuring, reporting and verification (MRV), economic efficiency of emission reductions and enhancing confidence among countries.

Switzerland outlined measures to achieve its national emission reduction target of 20% from 1990 levels by 2020, underscoring ongoing parliamentary discussions on, *inter alia*, technical provisions for new cars, a carbon dioxide levy on heating fuels, and possible continuation and further development of the emissions trading scheme. He said his country would consider collective action in mitigation efforts when deciding whether to increase the level of ambition.

Ireland presented on his country's share of the EU's pledge. He said about 28% of Ireland's emissions are covered by the EU Emissions Trading Scheme (ETS), the remaining 72% are covered by the EU Effort-Sharing Decision and that Ireland's national emission reduction target is 20% below 2005 levels by 2020. He outlined measures to implement the target, including: a carbon tax and residential building regulations to improve energy efficiency of new houses and apartments by 60%.

In the ensuing discussion, Canada explained that fast-start financing for developing countries forms an important part of Canada's international actions. Concerning compliance with Canada's commitments during the Kyoto Protocol's first commitment period, he said Canada continues to comply with the reporting rules and will assess compliance with the target during the true-up period. On aligning with the US, Canada emphasized that this does not mean his country would only act when the US acts. On legislation, he said existing environmental legislation forms an adequate legal basis for action.

The EU noted that the announcements by Japan, Canada and the Russian Federation to not commit to a second commitment period under the Kyoto Protocol constitute a step backwards that will influence the political context. He said it is unlikely that the EU will increase its target to a 30% reduction before Durban, as the relevant issues are still under negotiation. Regarding the nature of the EU energy efficiency target, he noted that the EU Heads of State have recently signaled their intention to meet the target and the European Commission will assess in 2012 the need for legislation to implement it.

In the afternoon, discussions continued. The EU stated that the inclusion of aviation emissions in the EU ETS from 2012 onwards will not undermine an open economic system. Noting the challenges to small-scale projects under the CDM, he called for a sectoral crediting mechanism to mobilize smaller projects.

Norway underscored his country's intention to become carbon neutral by 2030, explaining that this will entail reducing emissions by 100% compared to 1990 levels through both domestic measures and international mechanisms.

Noting that a great share of his country's greenhouse gas emissions originate from the energy sector, Denmark presented on its energy strategy for 2050. He explained the strategy involves reducing the use of fossil fuels by a third from 2009 levels by 2020. Among key challenges, he mentioned providing security of energy supply and the need to curb global warming and reduce greenhouse gas emissions.

In his presentation, Bolivia explained that reaching the 2ºC target will require emissions to be reduced by 14 gigatonnes and that the gap between the current pledges and the target is between 7.4 and 5.3 gigatonnes. He underscored that there is no time to reach a new legally-binding agreement in Durban and the only possible option is to commit to a second commitment period under the Kyoto Protocol. He further proposed creating an *ad hoc* working group to discuss legal action in relation to parties that do not want to fulfill their obligations under the Protocol and the Convention.

The Czech Republic presented on its national mitigation policy, highlighting a 32% reduction in greenhouse gas emissions from 1990 to 2009. He identified the EU ETS as being among the key mitigation tools. He also said modernizing the power sector has large mitigation potential, due to current dependence on coal. He suggested new EU directives should focus on non-ETS structures, including possible carbon taxation.

The US presented on the role of reporting and international assessment and review in clarifying emission reduction targets. He suggested a facilitative, rather than punitive, process of international review. The US supported creating a process with: biennial national reports; compilation of reports; an expert review; a report by the expert review team; international assessment of the expert review team's report in a facilitative manner under the SBI with written questions and answers; and final compilation into a summary report by the Secretariat.

During discussions, the EU said a robust accounting system is needed in addition to review and said the US approach to review might suggest a system of *post hoc* rules, with parties individually deciding, *inter alia*, on the basket of greenhouse gases, LULUCF accounting and use of offsets. He expressed hope that the US will offer a more ambitious target, while urging the US to deliver on its pledge.

The US highlighted the review of the long-term global goal, scheduled for 2013, saying it would benefit from biennial reports as it was not currently possible to make a judgment on the way forward based on available information. The US also recognized that his country's existing policies will not be enough to reach the emission reduction target, and that since the proposed federal legislation did not pass, work is underway to implement alternative measures.

The Secretariat presented on the technical paper (FCCC/TP/2011/1) on developed countries' emission reduction targets. She noted the need for parties to provide further clarity on the rules they expect, as this affects the stringency of targets, and assumptions on methodology. She concluded that, based on their current pledges, Annex I parties would reduce emissions by 13-18% below 1990 levels by 2020 in aggregate.

UNEP presented on its Emissions Gap Report, noting that for a "likely" chance of keeping temperature increase below 2°C, an emission level of 44 gigatonnes carbon dioxide equivalent by 2020 will be required. He underscored that even the most ambitious pledges and most stringent rules on LULUCF accounting and surplus AAUs result in emissions of 49 gigatonnes in 2020. He underscored the 5-gigatonne gap between the most ambitious current pledges and what is required to reach the 2°C target. He said UNEP intends to examine what models say about bridging the gap and promising options for reducing international emissions, as well as national policy options.

The Climate Action Network recommended, *inter alia*: including developed countries' net domestic emission reductions; closing loopholes; and using historical reference levels in LULUCF. He concluded that waiting for the review to assess what was achieved and make a decision on the way forward would be too late.

In discussions, a number of parties welcomed the Secretariat's technical paper and Norway, Switzerland and the EU said it would be useful to have an analogous paper on developing country pledges. Saint Lucia and Bolivia underscored the need to increase the level of ambition.

In conclusion, workshop facilitator Garibaldi Fernandez identified the need to close the "ambition gap." He also highlighted the roles of information, LULUCF accounting, market mechanisms, surplus AAUs, International Review and Assessment, and pledge conditionalities.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

AWG-LCA CONTACT GROUP: During the morning's contact group, facilitators reported on Wednesday's informal consultations.

During discussions, INDIA, VENEZUELA and EGYPT emphasized that Decision 1/CP.16 mandates the AWG-LCA to take all actions under the Cancun Agreements, unless otherwise specified. Noting the specific mandates to refer certain issues to the SBI and SBSTA, they indicated that any issue without explicit reference to the Subsidiary Bodies must be addressed by the AWG-LCA. They suggested developing a modality to address issues under the AWG-LCA and decide whether to send issues back to the Subsidiary Bodies if necessary, since the AWG-LCA is responsible for the final package. AWG-LCA Chair Reifsnyder said informal consultations would continue and the contact group would reconvene on Friday morning.

TECHNOLOGY (AWG-LCA): In the morning informal consultations, discussions focused on governance structure and terms of reference for the Climate Technology Centre and Network (CTCN).

On the governing body of the CTCN, several parties pointed to the difficulty of elaborating a precise governance structure before determining the scope of the CTCN and where it would be hosted. Many parties supported a small, efficient and flexible host institution. On the governance structure of the CTCN, developed countries also preferred an option that does not create a new governing body, with a Director-General and a small team housed within an existing UN organization, and with strategic guidance provided by the Technology Executive Committee (TEC).

Several parties noted the need to define the relationship between the TEC and the CTCN, as well as the relationship between the Centre and the Network. Developed countries preferred no oversight role for the TEC over the CTCN, while developing countries proposed that the TEC provide an oversight function.

On the functions of the CTCN, many parties called for details to be elaborated and highlighted the need to include roles and functions in the terms of reference of the potential host institution. Informal consultations will continue.

ADAPTATION (AWG-LCA): During morning informal consultations on adaptation, parties shared views on the composition of, and modalitites and procedures for, the new Adaptation Committee. Many underlined the importance of working quickly and efficiently before Durban.

Many developing countries prioritized focusing on the operationalization of the Adaptation Committee with some expressing interest in developing a technical paper to assist further work. Parties highlighted: linking the Adaptation Committee to other institutions, ensuring the Committee's composition would provide expertise in modeling, assessment and social aspects, among others; and the need for flexibility.

Parties also addressed national adaptation plans and adaptation linkages to the Green Climate Fund. Several parties called for clarifying the sequence of work and roles of the AWG-LCA and the SBI. Informal consultations continued in the afternoon.

SHARED VISION: In the afternoon informal consultations on a shared vision for long-term cooperative action, different views were expressed on clustering the issues listed for consideration, with some developing country parties preferring to discuss all issues equally rather than separating them into tasks to be implemented or issues to be concluded.

Parties also addressed the global goal for emission reductions by 2050. It was noted that the COP agreed to consider this issue at COP 17. A number of developed countries outlined their national emission reduction goals, and several parties identified the need to allow different peaking years for developed and developing countries.

Parties also highlighted the need: to consider the cluster of social and humanitarian issues; to consider a global carbon budget alongside a global goal; for a compilation paper by the Secretariat taking into account data on emission caps and the principle of common but differentiated responsibilities.

A number of delegates lamented that further informal consultations on this issue had not been scheduled and urged more time to consider the issue before Durban.

IN THE CORRIDORS

On Thursday, steps were taken to get down to work – "finally," as many delegates commented. The SBSTA adopted its agenda in the morning and the SBI followed suit in the afternoon. The numerous experts who had found themselves wandering the corridors and attending side events during the first three days of the conference were visibly relieved: "It's very expensive and inefficient for governments to send large delegations to these meetings when their experts have nothing to do for several days, so I'm relieved that we will finally get to do something that justifies our presence here," commented one. However, some lamented the loss in the new SBI agenda of some relevant pieces of the Cancun Agreements, such as MRV elements.

In the long-term negotiations, some experts were still waiting for a solution to the dilemma between political and technical work and many worried nothing would be resolved until Saturday, when the AWG-KP resumes. On the AWG-LCA side, the day was fairly busy with a mitigation workshop and several informal groups. Some groups, such as the one on shared vision, found that they had already run out of meeting slots. With no intersessional confirmed for the autumn, concerns seemed to be mounting on prospects for Durban. "We must make progress during the remaining seven negotiating days here, otherwise we will be in hot water."