

SB 36 AND AWG HIGHLIGHTS: TUESDAY, 15 MAY 2012

In the morning, the opening plenary of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) took place. In the morning and afternoon, the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) convened. In the morning and afternoon, various contact groups and informal consultations were held under the AWG-KP, the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

AWG-KP

ORGANIZATIONAL MATTERS: AWG-KP Chair Madeleine Diouf (Senegal) highlighted important outcomes from CMP 7 and called on parties to build on the momentum to finalize the AWG-KP's work for adoption by CMP 8 in Doha. Parties adopted the agenda and agreed to the organization of work (FCCC/KP/AWG/2012/1 and 2).

ANNEX I FURTHER COMMITMENTS: AWG-KP Chair Diouf recalled the AWG-KP's mandate to conclude its work by CMP 8 and identified issues for consideration to fulfill its mandate. These include quantified emission limitation or reduction objectives (QELROs) (FCCC/KP/AWG/2012/MISC.1 and Add.1), carry-over of assigned amount units (AAUs) and proposed amendments to the Protocol, including the length of the second commitment period.

Parties agreed to establish a contact group on Annex I further commitments, co-chaired by AWG-KP Chair Diouf and AWG-KP Vice-Chair Jukka Uosukainen (Finland). AWG-KP Chair Diouf also identified the need to discuss legal aspects of the entry into force of the second commitment period and noted the possibility of establishing spin-off groups.

OPENING STATEMENTS: Algeria, for the G-77/CHINA, expressed concern that some Annex I parties have not submitted information on their QELROs for the second commitment period, highlighting the need to avoid a gap between commitment periods in order to preserve the Protocol and its flexibility mechanisms.

Australia, for the UMBRELLA GROUP, highlighted the need for the AWG-KP to fulfill its mandate in Qatar by adopting amendments concerning the second commitment period of the Protocol. Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), highlighted the need for clarity on legal issues in order to have a "seamless continuation" of the Kyoto Protocol beyond 2012. The EIG, supported by the EU, stated that the duration of the second commitment period should be eight years. The EU emphasized the need to resolve issues related to the

carry-over of AAUs and the length of the second commitment period. He also proposed a simplified process for parties wishing to increase their level of ambition during the second commitment period.

Nauru, for AOSIS, Swaziland, for the AFRICAN GROUP, and the Gambia, for LDCs, supported a five-year second commitment period from 2013-2017 to avoid locking in the level of ambition and to be able to respond to the findings of the Fifth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC). They also called for adopting the necessary amendments at CMP 8 to ensure the entry into force of the Protocol's second commitment period and its provisional application from January 2013. The Gambia, for LDCs, indicated that Annex I parties who have not confirmed their participation in the second commitment period should not continue participating in the Protocol's flexibility mechanisms.

Saudi Arabia, for the ARAB GROUP, urged for ambitious emission reduction commitments from Annex I parties and called for avoiding a gap between the first and second commitment periods. SOUTH AFRICA reported on informal meetings held after Durban, highlighting outstanding issues such as the carry-over of surplus AAUs and the length of the second commitment period. She urged delegates to work constructively so that "the Durban legacy will not be undone."

Bolivia, for ALBA, stressed that Durban had not affected the lack of political will by developed countries regarding mitigation commitments, but rather showed a trend to move away from those commitments that are unfulfilled. Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, highlighted the need to improve developed countries' level of ambition, and suggested that both private and public finance be deployed for operationalizing REDD+.

AWG-LCA

Opening the session, AWG-LCA Chair Aysar Tayeb (Saudi Arabia) recalled the mandate to finish the AWG-LCA's work at COP 18.

Reporting on relevant initiatives, SOUTH AFRICA highlighted an informal ministerial meeting in Bonn, Germany, in May 2012. She stressed the need to ensure the implementation of the Durban package and move the process forward through constructive engagement. JAPAN reported on the Tenth Informal Meeting on Further Actions against Climate Change, co-chaired by Brazil and Japan in Tokyo, Japan, in March 2012, where expected outcomes from Doha were among the issues discussed. Stressing the central role of equity in the negotiations, INDIA reported on a workshop on climate change and equity in April 2012 in New Delhi, India. KENYA reported on the Cartagena Dialogue on Progressive Action on Climate Change, which took



place in Nairobi, Kenya, in April 2012, and addressed, *inter alia*, the Durban Platform, second commitment period under the Protocol and a new legally-binding instrument.

OPENING STATEMENTS: Algeria, for the G-77/CHINA, urged parties to address outstanding issues under the AWG-LCA, taking into account equity, common but differentiated responsibilities and historical responsibility. She said that commitments by developed states under the Protocol second commitment period should be matched by comparable reduction commitments by developed countries that are not parties to the Protocol.

Switzerland, for the EIG, said that work on issues needing further consideration should start immediately. Australia, for the UMBRELLA GROUP, called on parties to avoid duplication of efforts and focus on a streamlined, targeted agenda.

Nauru, for AOSIS, called for the AWG-LCA's work to be guided by a greater sense of urgency and ambition. She highlighted priority tasks, including: supporting the new bodies and processes to enable them to deliver on their mandates; identification of the long-term global goal for emission reductions and global peaking of emissions; and confirming the scope of the Review.

Swaziland, for the AFRICAN GROUP, stressed that the outcome of the AWG-LCA should be inclusive, fair and effective, covering all elements of the Bali Action Plan and recognizing the urgent needs of Africa, especially on adaptation.

The Gambia, for the LDCs, expressed concern with unresolved issues, emphasizing the need to address the mitigation ambition gap. He also called for opportunities to enable LDCs and SIDS to embark on sustainable development pathways, and for "frank discussions" on medium- and long-term finance.

The EU emphasized the need to make progress on all elements of the Durban package and cautioned against reopening decisions from Cancun and Durban. He also highlighted the need for a structured approach to address the 2020 pledges and for clarity on remaining uncertainties. He observed that a new market mechanism should be a catalyst for ambition from all countries.

PERU, speaking for a number of countries, called for focused discussion on outstanding issues.

Venezuela, for ALBA, identified difficulties with working on the basis of the AWG-LCA's text, saying its development has been disproportionate and unbalanced. Egypt, for the ARAB GROUP, expressed support for the AWG-LCA Chair's work plan, called for identifying what has been agreed at previous COPs and stated that discussions on all topics must be completed and not simply transferred to different bodies.

Papua New Guinea, for COALITION OF RAINFOREST NATIONS, stressed the importance of agreement on: a REDD+ mechanism by COP 18; finance for its implementation, including a dedicated REDD+ funding window in the Green Climate Fund; and a new market-based mechanism. Tajikistan, for MOUNTAINOUS LANDLOCKED DEVELOPING COUNTRIES, stressed the importance of financial support and capacity building for all developing countries, and called for attention to water resources and ecosystem services.

Honduras, for SICA, stressed the need to complete the AWG-LCA's mandate under the Bali Action Plan and evaluate which of its elements have not been completed by COP 18. India, for BASIC, highlighted the need to maintain the delicate balance under the two-track approach and emphasized the importance of equitable access to sustainable development. Belarus, for EITs, stressed the particular circumstances of EITs and called for finalizing the decision text on their needs in Doha.

ORGANIZATIONAL MATTERS: On the agenda and organization of work (FCCC/AWG-LCA/2012/1 and 2), AWG-LCA Chair Tayeb outlined intentions to establish a single contact

group, chaired by the AWG-LCA Chair. He also noted that five in-session workshops will take place, as mandated by Decision 2/CP.17 (Outcome of the work of the AWG-LCA).

A discussion ensued on the AWG-LCA's proposed agenda and organization of work. The EU stressed that the proposed agenda did not recognize issues that the AWG-LCA was tasked by COP 17 to take forward in 2012. He emphasized that listing the elements of the Bali Action Plan in the agenda implied that no progress had been made since COP 13, and specified that the agenda did not take into account the various new institutions created or that some of the issues had been moved from the AWG-LCA to the Subsidiary Bodies. Switzerland, for the EIG, called for clarity on how work in the group would be conducted in 2012, noting that many of the items on the proposed agenda had already been addressed.

CHINA, BOLIVIA, VENEZUELA and NICARAGUA expressed support for adopting the agenda as proposed.

The US, supported by CANADA and others, expressed concern with reopening of issues and proposed establishing spin-off groups to consider issues specifically mandated by COP 17. He said other issues could then be discussed in a single contact group. NEW ZEALAND said that only those issues where there was a clear mandate to report back to COP 18 should be discussed.

AWG-LCA Chair Tayeb noted that the agenda was not "his" and its elements reflected the agreement of parties. He also said issues on the proposed agenda have enjoyed different levels of progress and listing them on the agenda did not imply that they were going to be reopened. He proposed adopting the agenda and then organizing the work of the AWG-LCA through a single contact group. He also proposed to conduct informal consultations between now and the first meeting of the contact group to reach a common understanding on the organization of work.

MEXICO, supported by the US and opposed by CHINA, proposed beginning work in a single contact group without adopting the agenda.

SINGAPORE, supported by many countries, suggested: convening spin-off groups for those issues whose consideration was explicitly mandated by COP 17; considering the other issues in a single AWG-LCA contact group where parties could decide on further work, including by establishing spin-off groups if necessary; and adopting the agenda provisionally.

The AWG-LCA Chair will consult informally on the agenda and organization of work.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

NATIONAL ADAPTATION PLANS (SBI): The informal group on national adaptation plans (NAPs) met in the morning. The group opened its meeting to observer organizations.

Co-Chair Richard Merzian (Australia) identified the synthesis report on support for the NAP process in LDCs (FCCC/SBI/2012/8) as a starting point for the group's discussions.

Bangladesh, for the G-77/CHINA, informed delegates that they are working on a submission on NAPs. Ghana, for the AFRICAN GROUP, reiterated the need to take all submissions into consideration. Bhutan, for LDCs, supported by MEXICO, SUDAN, Ghana, for the AFRICAN GROUP, and Vanuatu, for AOSIS, identified priorities, including: the need for NAPs to be driven by country needs and priorities; natural transition from short-term to long-term adaptation; and a separate institutional set-up for LDCs.

The PHILLIPINES, the EU and BOLIVIA highlighted, *inter alia*: accessibility and scaling up of financial assistance for NAPs. AUSTRALIA highlighted support measures for LDCs and the US emphasized the need for knowledge-sharing on best practices in adaptation.

The co-chairs will prepare a draft text.

REDD+ (SBSTA): After a morning contact group, parties convened informally in the afternoon and exchanged views on guidance for national forest monitoring systems and measuring, reporting and verification (MRV). On national forest monitoring systems, some parties indicated that the information monitored should be selected by each country implementing REDD+. Some parties also underscored that information requirements should be coherent with those applicable to nationally appropriate mitigation actions (NAMAs). One party stressed that the monitoring system should be a process established in a gradual manner. Another party highlighted that non-market approaches should also be considered and that data on other issues, such as ecosystem services, should be included. A number of parties emphasized that the system should be built on existing national monitoring systems. While some parties supported inviting the IPCC to provide further information on methodological issues, others opposed, with one party suggesting that this could be useful at a later stage. Many underscored the relevance of capacity building for the preparation of a robust and transparent monitoring system.

On MRV for REDD+, delegates focused on possible interlinkages between MRV for NAMAs and for REDD+.

The co-chairs will prepare a non-paper reflecting parties' views.

LOSS AND DAMAGE (SBI): During afternoon informal consultations on loss and damage, parties considered ways to move forward and exchanged views on assessing the risk of loss and damage associated with the adverse effects of climate change. The informal consultations were open to observer organizations.

The G-77/CHINA said the outcome from SBI 36 should include conclusions on the work programme and further guidance for regional meetings, as well as an annex to the conclusions that would expedite discussions in Doha. He said that an international mechanism for loss and damage should include elements on assessing and addressing loss and damage, and on the leadership role of the Convention. He cautioned against a unified approach to loss and damage and emphasized regional variability of impacts.

Timor Leste, for LDCs, welcomed the technical paper on assessing the risk of loss and damage (FCCC/TP/2012/1) and report on the expert meeting held in Tokyo, Japan, from 26-28 March 2012 (FCCC/SBI/2012/INF.3) as a good basis for substantive discussions. He also expressed concern over a capacity gap.

AOSIS identified areas in need of support for SIDS. The US identified the need for data on physical determinants and socio-economic drivers of risk as well as on human vulnerability. She cautioned against conflating assessment of risk, and assessment of loss and damage.

Informal consultations will continue.

TECHNOLOGY (SBI/SBSTA): The contact group met in the afternoon, followed by informal consultations chaired by Zitouni Ould-Dada (UK) and Carlos Fuller (Belize).

During the informal consultations, parties discussed elements of the Technology Executive Committee (TEC) Report (FCCC/SB/2012/1) and the GEF Report on the Implementation of the Poznan Strategic Programme on Technology Transfer (FCCC/SBI/2012/9).

On the TEC Report, some parties noted that modalities on linkages with other relevant institutional arrangements under and outside the Convention were "too general" and called for more specific references to interlinkages.

On the GEF Report, parties addressed progress on implementation, including: the imbalance between adaptation and mitigation in Technology Transfer Pilot Projects; the need

for the GEF to carry out Technology Needs Assessment in regions not already covered; and constraints faced by the GEF in long-term implementation of the Poznan Strategic Programme.

The co-chairs will prepare draft conclusions by Friday.

ANNEX I FURTHER COMMITMENTS (AWG-KP): In the afternoon contact group, parties addressed the way forward.

AUSTRALIA reported on domestic developments, including recent work towards carbon pricing. The EU underscored the need for transparency on QELROs and, supported by St. Lucia, for AOSIS, proposed that countries make presentations on their QELROs submissions. SWITZERLAND noted the need to address technicalities for a seamless 2012-2013 transition.

BOLIVIA emphasized that the ambition of developed country commitments and the adoption of a second commitment period are not just technical matters, but are dependent on political will. Supported by SAUDI ARABIA, he called for discussions on consequences for countries that are not agreeing to take on commitments for the second commitment period. BOLIVIA also suggested addressing in the presentations how to increase the level of ambition.

Parties agreed to create a spin-off group co-facilitated by Sandea De Wet (South Africa) and Jürgen Lefevere (EU) to discuss, *inter alia*, QELROs for the second commitment period, carry-over of AAUs, and proposed Protocol amendments, including the length of the second commitment period. AWG-KP Vice-Chair Uosukainen will also facilitate informal consultations.

IN THE CORRIDORS

On the second day, the opening plenaries of the AWG-KP and AWG-LCA were the focus of the negotiations in the Maritim. Both AWGs are scheduled to terminate their work in Doha, and face considerable pressure to "finally" fulfill their mandates. The delegates' challenge is therefore to ensure that they "die respectfully and with dignity," as the Chinese delegate phrased it in the AWG-LCA opening plenary.

While the AWG-KP swiftly began its work, the AWG-LCA was bogged down with discussions on the agenda, as parties' views diverged on the way forward. While some non-Annex I countries believe that the elements of the Bali Action Plan should provide the foundation for the AWG-LCA's work, some of the other non-Annex I countries and Annex I countries supported the view that "evolution since Bali," including outcomes from Cancun and Durban, should form the basis of the AWG-LCA's work in 2012. "The agenda is not static," said one developed country delegate. "If we treat it as such, it's like taking three steps back and ignoring all the hard work we've done since Bali in 2007."

Some delegates in the corridors suspected that bringing back elements from the Bali Action Plan could be a strategy from those reluctant to let the AWG-LCA "die in Doha." But delegates did concede that many have different interpretations of what has been agreed since the creation of the AWG-LCA at COP 13 in Bali, and feel that issues could be discussed but that conclusions do not need to be reached on all issues.

When the AWG-LCA opening plenary was suspended at 7:00 pm, the agenda had still not been adopted. Informal consultations will follow. Exiting the plenary hall, some feared that the "Bangkok ghost" would rear its head in Bonn, recalling the AWG-LCA meeting in April 2011 when the agenda was not agreed until the last day.

Meanwhile, nominations for posts in the ADP, the Green Climate Fund Board and other bodies were also a hot topic in the corridors. Rumor has it that there were still many positions left to fill, with some proving to be highly controversial within regional groups and potentially delaying meetings already scheduled.



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