

AWG-LCA 5 AND AWG-KP 7 HIGHLIGHTS: FRIDAY, 3 APRIL 2009

On Friday, AWG-LCA contact groups were held on mitigation, technology and finance, and adaptation. The AWG-KP convened contact groups on Annex I emission reductions and legal matters, and held various informal consultations.

AWG-LCA CONTACT GROUPS

TECHNOLOGY AND FINANCE: The contact group met in the morning and afternoon, mostly focusing on technology. The main issues discussed included: research and development (R&D); technology cooperation; intellectual property rights (IPRs); the need for comprehensive technology plans; how to involve the private sector; whether the Convention's role should imply more direct involvement or be catalytic; technology transfer indicators; and financial and institutional arrangements.

NORWAY elaborated on its proposal that includes auctioning of emission allowances, noting that the crucial elements are the amount of allowances in the system and a requirement for countries to redeem allowances. MEXICO underscored using GDP, population and emissions as indicators to assess contributions, and reminded that financing for the UN is based on assessed contributions. INDIA, INDONESIA and others underlined the need to relax IPRs. BOLIVIA suggested, regarding IPRs in developing countries: compulsory licensing; voluntary licenses; patent pooling; mandatory exclusion; and/or extension of exemptions. JAPAN said IPRs should be protected and highlighted them as fundamental for technology development.

AUSTRALIA proposed a leveraging facility, for instance, scaling up Climate Technology Initiative's Private Financing Advisory Network (PFAN). JAPAN proposed establishing an advisory body under the COP to analyze emission reduction potentials of specific technologies. CANADA said form should follow function. JAPAN, BANGLADESH and CANADA stressed country-specific approaches. GHANA highlighted the proposed multilateral technology acquisition fund. AOSIS underscored the need for a SIDS-specific mechanism.

The G-77/CHINA highlighted collaborative development of technology. The EU said technology financing should be an integral part of a Copenhagen agreement, and noted the need to double energy-related public R&D investments by 2012, and quadruple them by 2020. Noting the different stages of R&D, demonstration and deployment, the US stated that: there is a clear government role for R&D; government can help in demonstration; and all governments must establish laws and policies to create the necessary private investment for development.

CHINA underscored the need to define the nature of technology transfer in the UNFCCC context. He said performance assessments should include the scale and speed of technology transfer. NORWAY said technology needs assessments should be integrated within NAMAs and NAPAs. BANGLADESH and AOSIS supported regional innovation centers. BRAZIL underscored the need to ensure assessment mechanisms do not become a barrier to technology transfer themselves.

ADAPTATION: Chair Kolly invited parties' comments on matching adaptation actions with financial, technological and capacity building support. He proposed focusing on the scope of actions to be supported, additionality and criteria for prioritizing support.

The AFRICAN GROUP, AOSIS and the G-77/CHINA called for a coherent financial architecture under the COP. NORWAY, CANADA and others said the Convention should play a catalytic role. The EU highlighted the need for both specific projects and programmes, and for a longer-term perspective. NORWAY stressed national ownership and implementation.

JAPAN suggested establishing an adaptation information-sharing mechanism. AOSIS supported a facilitative mechanism beyond a clearing house that helps developing national adaptation plans, tracks funds from developed countries, and assists with matching them.

Many countries agreed that most vulnerable countries should be given priority in adaptation funding, and MEXICO highlighted the need to consider the most vulnerable groups within countries. PERU noted the need for enhanced knowledge, capacity building for planning and implementing, climate resilience and risk management. MEXICO underlined her proposal for a funding scheme for both mitigation and adaptation. The LDCs called for urgent actions, and highlighted the need to build institutional capacity in the LDCs. SAUDI ARABIA emphasized the need to improve the resilience of countries that rely on fossil fuels. CHINA identified the need to support both "soft" and "hard" technologies.

SAMOA and BOLIVIA said full costs of adaptation actions should be funded, with BOLIVIA noting unavoidable impacts and lost development opportunities and CHINA opposing additionality assessment.

MITIGATION: The contact group focused on mitigation by developing countries. CHINA said that NAMAs should be country-driven, reflecting developing countries' priorities. He suggested that developing countries first identify actions, which would be matched with support later. INDIA said that developed countries must take mitigation commitments based on historical responsibility, while developing countries can take voluntary mitigation actions. He also highlighted the role of support,

and said that a registry can be “the NAMA window” of the financial mechanism. The REPUBLIC OF KOREA noted that the proposed registry was intended for such voluntary actions that are already taking place, as well as for those to be matched with support. ARGENTINA, with the PHILIPPINES and SAUDI ARABIA, expressed concern with the concept of a registry, and ALGERIA said that the idea of matching actions with support connotes uncertainty or delay.

TURKEY noted the need to develop eligibility criteria for support. NEW ZEALAND highlighted the importance of quantifying developing country actions for attracting support and for mutual accountability. The LDCs called for special recognition of LDCs, and highlighted that support for NAMAs should be measurable, reportable and verifiable.

SINGAPORE opposed the introduction of new criteria, such as GDP, for differentiating countries. The EU noted that advanced developing countries can do more on mitigation than other developing countries. JAPAN stressed that his country cannot accept a simple extension of the Kyoto Protocol without participation of Protocol non-parties and major developing countries, while SAUDI ARABIA opposed differentiating among developing countries and the reference to more advanced ones.

AWG-KP CONTACT GROUPS AND INFORMAL CONSULTATIONS

ANNEX I EMISSION REDUCTIONS: On long-term emission pathways, JAPAN said that their consideration was relevant to the group’s discussions, and highlighted the existence of a range of pathways for achieving given stabilization scenarios. NEW ZEALAND preferred discussing long-term pathways at a global level. She called for a technical paper on the interaction between the 2020 target and Assigned Amounts. JAPAN, the RUSSIAN FEDERATION and AUSTRALIA called for coherence and consistency between the two AWGs. INDIA, supported by SOUTH AFRICA, CHINA and others, stated that the focus of this contact group should be on aggregate and individual reduction targets for Annex I parties, and that the AWG-LCA should consider reduction targets of Annex I countries that are not Protocol parties.

On ranges, CHINA called for a decision on a “clear and aggressive” range. AOSIS, supported by COLOMBIA, called for inclusion of their proposed figures for Annex I parties (at least 45% below 1990 levels by 2020 and more than 95% by 2050) in the conclusions. JAPAN highlighted that the IPCC’s 25-40% reduction range does not consider economic consequences and political feasibility and, with CHINA, noted the IPCC range was not a negotiated conclusion. JAPAN emphasized that the range must be based on a political decision. The EU cautioned against backtracking and questioning the IPCC’s work.

LEGAL MATTERS: Parties discussed the Chair’s non-paper on possible Protocol amendments.

JAPAN urged for a comprehensive post-2012 legal framework, and said the non-paper is too narrow, while SOUTH AFRICA welcomed it as being close to the mandate. CHINA, BOTSWANA, BOLIVIA, PAKISTAN and others also stressed the AWG-KP’s mandate and called for a simple amendment text.

AOSIS, the LDCs and the AFRICAN GROUP supported adding text that reflects Annex I emission reductions of at least 45% from 1990 levels by 2020, and AOSIS suggested also reflecting the long-term perspective. INDONESIA suggested ranges of at least 40% from 1990 levels by 2020 and 80% by 2050. TUVVALU noted that ranges depend on the length of the commitment period. The EU and others noted the possible need for interim review depending on the length of the commitment period.

On the various options for the Protocol’s amendment in the Chair’s text, CANADA, with NEW ZEALAND, ICELAND and others, supported discussing them at this meeting but retaining all of them on the table. On textual amendments, several parties

supported retaining text on the first commitment period and adding new text on the second, while CANADA noted this may become cumbersome, and NEW ZEALAND proposed a case-by-case approach.

BELARUS and others stressed the need to include his country in Annex B. The EU, supported by NORWAY, proposed adding “empty lines” to invite new countries.

On the Chair’s “document 4” (FCCC/KP/AWG/2009/4), the EU, SWITZERLAND and others stressed the importance of considering the document. SOUTH AFRICA raised concerns, highlighting, *inter alia*, work done by the other contact groups. Chair Dovland said his intention was to proceed later to legal text on issues in “document 4,” but their substance will be considered by the other contact groups. SWITZERLAND said all issues should be considered by a “Committee of the Whole” as soon as possible.

Informal consultations were held in the afternoon on issues including the group’s mandate and whether the Chair should prepare a non-paper on issues in “document 4” in addition to the new text on possible Protocol amendments.

LULUCF: During informal consultations, parties continued discussing the bar approach to forest management, and, in particular, how the bars for individual countries would be set. Parties also discussed a proposal to include wetland restoration and degradation as an optional activity under Article 3.4 (additional LULUCF activities), and two proposals for accounting for harvested wood products. Informal consultations will continue on Saturday.

FLEXIBILITY MECHANISMS: Informal consultations were held on the flexibility mechanisms. Discussions focused on the Co-Chairs’ new non-paper on possible improvements to the flexibility mechanisms, which is a revised version of the Chair’s note (FCCC/KP/AWG/2009/INF.2) in line with parties’ comments from Thursday’s contact group. The consultations focused on possible improvements to the CDM, especially on sink issues. Informal consultations will continue on Saturday.

POTENTIAL CONSEQUENCES: Informal consultations were held on potential consequences. Discussion focused on the Co-Chairs’ draft conclusions, and amendments were suggested. Progress was reported and informal consultations will continue on Saturday.

IN THE CORRIDORS

The day’s mitigation discussions under the AWG-LCA brought to the fore the complexities of matchmaking, as Chair Zammit Cutajar and a number of delegates likened matching developing country NAMAs with support from developed countries to dating. Unable to decide on the attractiveness of blind dates (in which the supporter has no knowledge of the supportee’s future commitment, or vice versa) and whether to choose the person with “the charming eyes” or “the beautiful lips,” delegates began contemplating the need to form a focus group on dating.

Apart from issues of matchmaking, delegates complained that their heads were spinning as they were trying to understand the science and assumptions underlying the increasing number of proposals tabled for Annex I countries’ emission reduction ranges. “They all seem to use different base years and assumptions about issues such as LULUCF and flexibility mechanisms: how can we make any sense of them?” commented one negotiator. Some delegates also seemed slightly worried about several controversies emerging during the day over the application and validity of the IPCC’s findings in the AWG-KP contact groups and informal consultations.

Others were commenting on what they characterized as “a welcome sign of engagement” by the US in the informal consultations on LULUCF under the AWG-KP. Some were wondering whether the US might also start expressing views on other Protocol issues, such as the flexibility mechanisms.