

## AWG-LCA 3 AND AWG-KP 6 HIGHLIGHTS: THURSDAY, 21 AUGUST 2008

The third session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 3) and the first part of the sixth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 6) opened in Accra, Ghana, on Thursday morning, with a welcoming ceremony and the opening plenary of the AWG-KP. In the afternoon, delegates attended the AWG-LCA opening plenary, an in-session workshop on cooperative sectoral approaches, and a contact group on land use, land-use change and forestry (LULUCF).

### WELCOMING CEREMONY

Kwadwo Adjei-Darko, Minister of Local Government, Rural Development and Environment, Ghana, welcomed delegates to Accra, describing the talks as an important milestone on the path to Copenhagen and an opportunity to demonstrate the seriousness of current efforts to address climate change. Connie Hedegaard, Minister of Climate and Energy, Denmark, called on delegates to advance negotiations and to establish a mid-term target for emission reductions in addition to ambitious targets to halve emissions by 2050. She also urged for concrete results on the flexible mechanisms and forestry and further elaboration of the Bali building blocks. COP 13 President Rachmat Witoelar, State Minister of Environment, Indonesia, emphasized commitments and actions by all nations based on the principle of common but differentiated responsibilities. He also urged progress on negotiations to facilitate an ambitious and effective agreement by COP 15 in December 2009.

Yvo de Boer, UNFCCC Executive Secretary, highlighted that Africa is one of the continents most affected by climate change and noted that a future climate change regime should address the adaptation needs of African countries and help them achieve clean development. He informed delegates that funding had been received to enhance participation of developing countries in climate change negotiations. President of Ghana, John Agyekum Kufuor, welcomed progress made since COP 13, highlighting the operationalization of the Adaptation Fund. He emphasized

the need for an agreement in which developing countries commit to climate-resilient development facilitated by financial and technological support from developed countries.

### AWG-KP

AWG-KP Chair Harald Dovland (Norway) opened AWG-KP 6, informing delegates that he would conduct informal consultations throughout the week on the 2009 work programme. Parties adopted the agenda (FCCC/KP/AWG/2008/4).

**OPENING STATEMENTS:** Antigua and Barbuda, for the G-77/CHINA, stressed the importance of limiting discussions to issues related to further quantified commitments for Annex I countries. Algeria, for the AFRICAN GROUP, urged Annex I countries to adopt ambitious targets. He called for improved rules and methodologies that ensure equitable geographic distribution of CDM projects; stated that LULUCF issues are a high priority; and requested clarity regarding the implications of the inclusion of emissions from international transportation. France, on behalf of the EU, stated that Annex I countries should take the lead on reduction commitments, and called for a global market with liquidity, clear price signals, and cost effective means to reduce emissions. Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), emphasized the need for discussion regarding the share of proceeds for adaptation under the AWG-KP, maintaining that few changes are needed to the rules governing the flexible mechanisms and LULUCF.

### ANALYSIS OF MEANS TO REACH EMISSION

**REDUCTION TARGETS:** AWG-KP Chair Dovland introduced documents (FCCC/TP/2008/2 and Corr.1; FCCC/KP/AWG/2008/3; and FCCC/KP/AWG/2008/INF.2). Three contact groups were established on: emissions trading and the project-based mechanisms, chaired by Christiana Figueres (Costa Rica) and Nuno Lacasta (Portugal); LULUCF, chaired by Bryan Smith (New Zealand) and Marcelo Rocha (Brazil); and on “other issues” to consider greenhouse gases, sectors and source categories, possible approaches targeting sectoral emissions, and consideration of relevant methodological issues, chaired by AWG-KP Chair Harald Dovland.

**LULUCF:** Marcelo Rocha and Bryan Smith co-chaired the contact group on LULUCF. Co-Chair Rocha suggested that the LULUCF discussions in Accra should aim to condense the list of options for consideration.

Werner Kurz, Canada, expressed concerns with current forest management accounting methodologies, and presented a “forward-looking baseline approach” to factor out natural disturbances, age-class legacies, and indirect human-induced impacts. Discussion focused on: the use of the approach for subsequent commitment periods; application of the approach given national circumstances; and challenges inherent in creating a baseline. Satoshi Akahori, Japan, described sustainable forest management in Japan, stressing that LULUCF rules should not benefit or penalize certain types and age structures of forests.

Hayden Montgomery, New Zealand, emphasized that age-class legacy effects are a key issue due to national circumstances, and stated that Article 3.4 activities should remain voluntary. He expressed a preference for gross-net accounting over net-net accounting, stressed land-use flexibility, and proposed an “emissions to atmosphere” approach to harvested wood products (HWP) to spread out HWP emissions accounting beyond the time of harvest.

#### **AWG-LCA**

AWG-LCA Chair Luiz Machado (Brazil) opened the session, emphasizing the need for parties to focus on concrete ideas and proposals, and to identify common views. Chair Machado introduced documents on the summary of views expressed at AWG-LCA 2 (FCCC/AWGLCA/2008/11) and a scenario note on the third session (FCCC/AWGLCA/2008/10). Parties adopted the agenda (FCCC/AWGLCA/2008/9).

**CONSIDERATION OF A WORK PROGRAMME FOR 2009:** Chair Machado and AWG-LCA Vice-Chair Michael Zammit Cutajar (Malta) will hold informal consultations with a view to reaching agreement on the work programme for 2009.

**LONG-TERM COOPERATIVE ACTION:** The Secretariat introduced documents (FCCC/AWGLCA/2008/MISC.2 and FCCC/AWGLCA/2008/MISC.4) containing submissions from parties on ideas and proposals on the elements contained in paragraph 1 of the Bali Action Plan and on the Convention workshops scheduled for 2008, respectively. Chair Machado proposed the establishment of three contact groups to consider enhanced action on adaptation, enhanced action on mitigation, and institutional arrangements for delivering enhanced cooperation on technology and financing for adaptation and mitigation. He noted, however, that consultations regarding the establishment of these contact groups were still ongoing and that the issue would be reconsidered during the AWG-LCA plenary on 23 August.

#### **WORKSHOP ON SECTORAL APPROACHES AND**

**SECTOR-SPECIFIC ACTIONS:** Chair Machado informed delegates that previous discussions on the topic are summarized in documents (FCCC/AWGLCA/2008/6 and 11), and invited parties to make presentations on this issue. The Philippines, for the G-77/CHINA, underlined that sectoral approaches should not replace legally binding commitments for developed countries, and that transnational sectoral agreements are not acceptable for developing countries. The EU differentiated between sectoral approaches in the context of technology and policy cooperation

and those that utilize carbon markets, such as emissions trading, on a sectoral basis. INDIA expressed concerns with the concept of sectoral approaches. JAPAN said a sectoral approach should involve: analyzing sectoral emissions; aggregating the greenhouse gas reduction potential of sectors and determining reduction targets for developed countries; and disseminating best available technologies to promote measurable, reportable and verifiable (MRV) actions in developing countries.

On the uses of a sectoral approach, Bangladesh, for the LEAST DEVELOPED COUNTRIES (LDCs), discussed various options including the development of tools and technologies to identify emission reduction potentials and barriers to reductions in certain sectors. He said sectoral approaches should involve the transfer of sector-specific efficient technologies and best practices to LDCs on a priority basis. CHINA proposed steps such as analyzing the sectoral context in each country, developing strategies and guidance for priority sectors, identifying major needs for environmentally sound technologies and establishing enabling policy instruments.

INDONESIA suggested focusing discussions on further clarification of cooperative sectoral approaches and mechanisms, and their introduction to the global market, as well as how they can be combined with the principle of common but differentiated responsibilities and with the concept of MRV. The REPUBLIC OF KOREA noted the need to identify incentives for non-Annex I countries to engage in sectoral approaches and suggested carbon intensity of sectors as a baseline.

In the ensuing discussion, Chair Machado highlighted the difference between emission offsetting activities undertaken in non-Annex I countries, and reduction actions additional to those taken by Annex I Parties that would lead to an overall reduction in global emissions. UGANDA noted the need to define a scope for the sectoral approach, which specifies the sectors to be considered. Other delegates discussed funding issues, the added value of sectoral approaches, how sectoral approaches can contribute to MRV, and whether sectoral approaches will limit countries' options for emission reductions.

#### **IN THE CORRIDORS**

As the Accra climate change talks got underway, several delegates commented on logistical challenges and commiserated with each other about time spent commuting to the conference center, with some staying nearly an hour away. Despite these challenges, delegates seemed pleased to be in Ghana, enjoying music and dance performances during the opening ceremony and the lunchtime buffet of local specialties.

Outside of the meeting rooms, one seasoned delegate said that the LULUCF contact group felt like “dépà-vu,” with the same issues arising as in Marrakesh in 2001. At the same time, delegates from forest-rich countries were bracing themselves for heated discussions on REDD on Friday.

Leaving the workshop on sectoral approaches and on their way to the evening reception, many delegates expressed satisfaction with the format of the workshop but some warned of clouds on the horizon, as negotiations on the issue are expected to be politically difficult. “We’re still working out what sectoral approaches are,” opined one. “It seems to mean different things to different people.”