

SB 34 AND AWG HIGHLIGHTS: TUESDAY, 7 JUNE 2011

On Tuesday morning, the opening plenaries of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the Subsidiary Body for Implementation (SBI) convened. In the morning and afternoon, the opening plenary of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) took place. The AWG-LCA contact group also convened in the afternoon. The opening plenary of the Subsidiary Body for Scientific and Technological Advice (SBSTA) remained suspended throughout the day.

AWG-KP

Opening the resumed AWG-KP 16, Chair Adrian Macey (New Zealand) recalled the adopted agenda and scenario note from Bangkok, and the scenario note for this meeting (FCCC/KP/AWG/2010/18/Add.1 and FCCC/KP/AWG/2011/1-3). He noted that Andrea Garcia-Guerrero (Colombia) would conduct consultations with regional groups on election of a rapporteur and that the election would take place during the AWG-KP closing plenary. He also introduced the report of the AWG-LCA workshop on developed country mitigation (FCCC/KP/AWG/2011/7).

UNFCCC Executive Secretary Christiana Figueres noted that, despite funding gaps, the Secretariat had undertaken technical assessments of Annex I party submissions on forest management reference levels, mandated by Decision 2/CMP.6 (land use, land-use change and forestry). AWG-KP Chair Macey underscored the need to resolve key political issues and make progress on technical issues. He proposed that the AWG-KP continue work in a single contact group on Annex I parties' further commitments.

OPENING STATEMENTS: Argentina, for the G-77/CHINA, reiterated concern with the slow progress towards a second commitment period, emphasizing the need to reduce the gap between pledges and what is required by science and historical responsibility. He stressed that political will is critical to moving technical issues forward and said the relevance of the Kyoto Protocol should not be eroded.

Australia, for the UMBRELLA GROUP, called for a new and effective global climate regime and a conversation on the contribution of the Kyoto Protocol to that system. She identified elements of the Kyoto Protocol that should form the basis of a comprehensive rules-based framework, and called for a pragmatic agreement that parties are able to ratify.

The EUROPEAN UNION (EU) reiterated willingness to consider a second commitment period in line with its previously stated conditions, including an overall level of ambition sufficient to achieve the 2°C target. Grenada, for AOSIS, called for focusing on parties willing to enter into a second Kyoto

Protocol commitment period and exploring whether and how their conditionalities have been met or can be met. She stressed the need for political input, and said technical and legal issues should be discussed once the previous steps have been taken.

The Democratic Republic of the Congo, for the AFRICAN GROUP, said agreement on a second commitment period in Durban is "absolutely essential." He expressed concern over slow progress and lack of commitment to a second commitment period by several Protocol parties. Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, identified creating a new mechanism under the Protocol as the most effective way to implement REDD+.

Mexico, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), expressed commitment to working towards early completion of the AWG-KP's work to avoid a gap between commitment periods, while highlighting links between the two tracks.

The Gambia, for the LDCs, stressed the need to resolve all outstanding issues in Bonn. He reminded parties distancing themselves from the Protocol that the flexibility mechanisms are an integral part of it, and emphasized the need to continue the Clean Development Mechanism (CDM) and the Adaptation Fund.

Egypt, for the ARAB GROUP, highlighted the Protocol as the most important legal instrument addressing climate change and called on Annex I countries to respect their legal commitment to a second commitment period.

Bolivia, for the BOLIVARIAN ALLIANCE FOR THE AMERICAS (ALBA), identified Cancun as a step back for the AWG-KP and called for agreement on a second commitment period in Durban.

MEXICO, as the COP/MOP Presidency, identified the need to avoid a gap between commitment periods and said both tracks should be maintained as parties work towards an agreement. On the path towards Durban, SOUTH AFRICA, as the incoming Presidency, noted the challenges but expressed optimism that the talks would continue to instill confidence in the UNFCCC process. She emphasized the need for compromise over intractable problems to avoid "competitive unilateralism."

TUVALU stated that the Chair's revised proposal on Annex I parties' further commitments (FCCC/KP/AWG/2010/CRP.4/Rev.4) is not appropriate as a basis for further work and emphasized that the AWG-KP negotiations should be undertaken only by those parties who intend to continue to participate in the Kyoto Protocol.

The CLIMATE ACTION NETWORK (CAN) stressed the importance of the 1.5°C target, increasing pledges and ensuring that quantified emission reduction targets are fair and equitable. International Emissions Trading Association, for BINGOs, identified the CDM and joint implementation (JI) as "tangible" outcomes that should be secured and developed alongside a long-term agreement, and urged avoiding a gap

between commitment periods. Freedom from Debt, for ENGOs, underlined the inadequacy of the current pledges to meet the warming target. The Norwegian Federation for the Environment and Development (NFED), for YOUNGOs, called for clear leadership by Annex I parties and a “race to the top.”

SBI

ORGANIZATIONAL MATTERS: SBI Chair Robert Owen-Jones (Australia) opened the session. He explained that based on extensive consultations with parties, a revised provisional agenda (FCCC/SBI/2011/1/Rev.1) had been issued, but that parties were not yet ready to adopt the agenda in its entirety. He proposed that parties commence work on the following items on the provisional agenda: the financial mechanism; Convention Article 6 (education, training and public awareness); Convention Articles 4.8 and 4.9 (implementation of Decision 1/CP.10 on the Buenos Aires programme of work); Protocol Article 3.14 (adverse impacts of response measures); technology; capacity building under the Convention and the Protocol; amendment to the Protocol with regard to compliance; appeals against decisions of the CDM Executive Board; arrangements for intergovernmental meetings; and administrative, financial and institutional matters. SBI Chair Owen-Jones said that consultations would then continue on the outstanding items, with a view to adopting the agenda at a later date.

The Gambia, for the LDCs, supported by the Democratic Republic of the Congo, for the AFRICAN GROUP, and NICARAGUA, opposed adoption of the agenda without the agenda item on national adaptation plans for LDCs, as provided for in Decision 1/CP.16. SAUDI ARABIA said that the item on forum on the implementation of response measures should also be included, observing that consulting further on some items implied that these items were being held in abeyance. The EU expressed preference for all items to be considered as “one comprehensive package” and cautioned against “isolating” certain items.

Highlighting the central role that adaptation plays for all developing countries and the need for balance, COLOMBIA supported the Chair’s proposal as a positive and pragmatic way forward. Grenada, for AOSIS, and AUSTRALIA also supported the proposal, with AUSTRALIA saying that “governments cannot afford another six million dollar agenda.” BOLIVIA requested the meeting’s record reflect that Decision 1.CP/16 was adopted despite the formal and explicit objection by one party to the Convention.

SOUTH AFRICA proposed adding the agenda item on a forum on the impact of the implementation of response measures and a modified agenda item on national adaptation plans (item 8) to the list of items on which work would commence pending consultations on the outstanding items. He proposed amending item 8 to read “modalities and guidelines for a process to enable LDCs to formulate and implement national adaptation plans, which could be employed by other developing countries.” AUSTRALIA and the US opposed this proposal, stressing that it does not reflect balance, while TANZANIA and SAUDI ARABIA supported the proposal.

SBI Chair Owen-Jones then announced that he would hold informal consultations on the outstanding agenda items later in the afternoon and reiterated his original proposal. The LDCs and SAUDI ARABIA opposed this proposal. Noting lack of consensus on the way forward, Chair Owen-Jones said informal consultations on the agenda would continue in the afternoon and suspended the meeting.

AWG-LCA

Opening the resumed AWG-LCA 14, Chair Daniel Reifsnyder (US) noted the agenda adopted in Bangkok (FCCC/AWG-LCA/2011/5) will provide the structure and scope of work for the AWG-LCA and includes both work to implement Decision 1/CP.16 (outcome of the AWG-LCA’s work) and issues that remain unresolved.

INTERSESSIONAL ACTIVITIES: As the COP Presidency, MEXICO reported on activities to facilitate further negotiations, including: a ministerial meeting in March on implementing the Cancun Agreements; informal meetings with observer groups; the first meeting of the Transitional Committee for the Design of the Green Climate Fund in April; and a Ministerial dialogue on adaptation, co-hosted with South Africa, in May. She noted they would hold further consultations in the coming months in cooperation with South Africa.

As the incoming Presidency, SOUTH AFRICA announced consultations on Saturday on the Durban outcome.

FRANCE highlighted the Climate Paris-Nairobi Initiative for universal access to clean energy in Africa, which had its first Ministerial-level meeting in April.

The Secretariat outlined activities by the Transitional Committee for the Design of the Green Climate Fund, including its first meeting in Mexico City in April and its first technical workshop in June in Bonn. She said a separate briefing event on the Transitional Committee would be held during the Bonn meeting.

On fast-start finance, AWG-LCA Chair Reifsnyder drew attention to parties’ submissions, said an information document would be issued after Bonn and announced plans to hold a separate briefing in Bonn.

OPENING STATEMENTS: Argentina, for the G-77/CHINA, warned against transferring issues from the AWG-LCA to the SBs and said specific issues mandated for consideration by the SBI in Decision 1/CP.16 must feed into a balanced outcome from the AWG-LCA. The G-77/CHINA also stressed the need for another negotiating session before Durban.

Australia, for the UMBRELLA GROUP, noted that building a new regime takes time, identifying Durban as the next step in the process that can move forward the Cancun undertakings. She stressed, *inter alia*, the importance of measuring, reporting and verification (MRV) by developed and developing countries for the review beginning in 2013. Noting that a new treaty is not a prospect in Durban, she called for putting in place institutions and processes that provide the basis for future legal action.

Noting that the window of opportunity to achieve the 2°C target is closing, the EU stressed the need to speed up work on implementation of the Cancun Agreements, especially concerning mitigation. He urged increasing the level of ambition, emphasized the importance of MRV and called for a comprehensive, legally-binding framework.

Belarus, for ECONOMIES IN TRANSITION, stressed the importance of technology transfer and capacity building.

Switzerland, for the EIG, supported working in a single contact group with spinoff groups, noted the usefulness of the workshops, and called for early establishment of a registry and the adoption of guidelines for NAMAs, both those seeking and those not seeking international support.

Grenada, for AOSIS, lamented the lack of urgency toward addressing the likely 3-4°C warming, and underlined that although the Cancun Agreements represented a step forward, they still lacked scope, substance and ambition.

Egypt, for the ARAB GROUP, said success in Durban depends on achieving balanced results based on the Convention’s principles, including common but differentiated responsibilities.

The Gambia, for the LDCs, called for, *inter alia*: stricter targets; a comprehensive framework; short-, medium- and long-term adaptation programmes; and long-term finance.

The Democratic Republic of the Congo, for the AFRICAN GROUP, called for, *inter alia*: strengthening international assessment and review for developed countries; a COP 17 decision on long-term finance and operationalizing the Green Climate Fund; and urgent adaptation action, including through the Adaptation Committee established in Cancun. He said the scale of finance is not a fixed sum, but is dependent on mitigation actions taken.

Venezuela, for ALBA, underscored that the process is party-driven and called for increased efforts to rebuild trust and foster a spirit of cooperation through frank and inclusive consultations.

Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, highlighted that REDD+ offers cost-effective early action to mitigate climate change. She called for disbursement of the funds pledged, particularly for REDD+, and suggested financing options for possible REDD+ related issues be addressed in the AWG-LCA, including but not limited to, market-based mechanisms.

The International Chamber of Commerce, for BINGOs, called for, *inter alia*, predictability through medium- and long-term objectives, a clear process for the Technology Mechanism and new financial tools on market and non-market mechanisms.

Supporting the inclusion of agriculture in the negotiations, the International Confederation of Organic Farmers, for FARMERS NGOs, underscored the importance of agriculture for local and global food security.

The International Trade Union Confederation, for TRADE UNIONS NGOs, emphasized that a fair and ambitious agreement is the only way of protecting vulnerable workers, noting that there could be no possibility of social justice amidst climate chaos.

ORGANIZATION OF WORK: AWG-LCA Chair Reifsnyder then proposed the organization of work (FCCC/AWG-LCA/2011/5), and delegates agreed to undertake substantive work on all items in a single contact group. He urged parties to propose draft text to facilitate negotiations and noted that stocktaking meetings of the contact group would be held to inform parties and observers of progress.

AWG-LCA CONTACT GROUP

In the afternoon, AWG-LCA Chair Reifsnyder opened the contact group. He proposed undertaking the contact group's work through informal consultations on: a shared vision, facilitated by AWG-LCA Vice-Chair Margaret Mukahanana-Sangarwe (Zimbabwe); developed country mitigation, facilitated by Christian Pilgaard (Denmark) and José Alberto Garibaldi Fernández (Peru); developing country NAMAs, facilitated by Pilgaard and Garibaldi Fernández; REDD+, facilitated by Antonio Gabriel La Viña (the Philippines); sectoral approaches and sector-specific actions, facilitated by George Mulama Wamukoya (Kenya); various approaches, including opportunities for using markets to enhance the cost-effectiveness of, and to promote, mitigation actions, facilitated by Giza Gaspar Martins (Angola); response measures, facilitated by Alfred Ndungu Gichu (Kenya); adaptation, facilitated by Kishan Kumarsingh (Trinidad and Tobago); finance, facilitated by Georg Børsting (Norway) and another facilitator yet to be identified; technology transfer, facilitated by Jukka Uosukainen (Finland); capacity building, facilitated by Uosukainen; review, facilitated by AWG-LCA Vice-Chair Mukahanana-Sangarwe; legal options for the agreed outcome, facilitated by María del Socorro Flores (Mexico); and other matters – economies in transition and countries with special circumstances, facilitated by Kunihiko Shimada (Japan).

AWG-LCA Chair Reifsnyder indicated that he would monitor the progress of, and provide guidance to, the informal groups, and said the AWG-LCA contact group will hold regular stocktaking meetings.

The PHILIPPINES sought clarification on how the information sessions on the work of the Transitional Committee and fast-start finance, and the workshops scheduled for this session would feed into the work of the AWG-LCA. She also emphasized that text should mainly be provided by parties, and that the facilitators should only provide text at the request of parties. AWG-LCA Chair Reifsnyder clarified that there is no formal link between the information sessions and the work of the AWG-LCA. He also agreed that, in the first instance, text must come from parties.

TUVALU expressed concern with the manner in which consultations on REDD+ were undertaken in Cancun, highlighting that no contact group meetings were convened to consider the issue or approve conclusions or documents. Stressing the need for transparency and inclusiveness, he

proposed, supported by BOLIVIA and NICARAGUA, that REDD+ discussions should be held in a contact group, rather than in a spinoff group or informal consultations, to ensure the involvement of indigenous peoples and other stakeholders, and that facilitators should be selected from Annex I and non-Annex I countries that have no material or financial interest in REDD+ outcomes. AWG-LCA Chair Reifsnyder noted that REDD+ includes more than just REDD+ financing, which is why an informal group has been proposed to consider REDD+ issues broadly.

The US underscored that the stocktaking meetings would provide information on progress, allowing observers to participate. He also said that parties could decide to allow observers to participate in the informal groups. PAPUA NEW GUINEA, with GUYANA, SURINAME and CAMEROON, supported the AWG-LCA Chair's proposal, with PAPUA NEW GUINEA highlighting that Tuvalu does not represent forested countries. She underscored that she does not support Tuvalu's tactics of targeting countries, like Norway, that are providing leadership on this issue.

AWG-LCA Chair Reifsnyder recalled that it is up to parties in each informal group to decide whether to open participation to observers. He proposed that parties convene in the informal group on REDD+ and decide whether to allow observers. Noting that there is sufficient concern with transparency and inclusiveness, he said he would be surprised if observers were not allowed into the meetings. Chair Reifsnyder added that if the issue is not satisfactorily resolved, it can then be addressed during the contact group's stocktaking meetings.

IN THE CORRIDORS

Tuesday was a somewhat busier day in Bonn, as work began on long-term issues under the two AWGs. During the opening plenaries, a number of delegates voiced concerns over the lack of ambition on mitigation. Several of them also drew attention to data published recently by the International Energy Agency showing that in 2010, global greenhouse gas emissions were higher than ever before.

In search of solutions, many attended a lunchtime special event by the SBSTA and the Intergovernmental Panel on Climate Change (IPCC) on the new IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation. While the report reaffirmed the increasing growth of emissions, it also gave delegates some reasons for optimism. Messages from the IPCC included that the technical potential of renewable energy technologies exceeds the current demand and increasing renewable energy is therefore not so much a technical challenge as an economic one. The report also drew attention to the role that renewable energy could play in achieving low stabilization scenarios. "That was an interesting event," commented one negotiator afterwards, "but it also showed we need to work much harder on mitigation in the negotiations."

Meanwhile, the battle over the SBI and SBSTA agendas headed into day two. In the morning, the SBI opened and attempted to forge ahead, but was soon forced to return to informal consultations, which continued late into the evening. Late in the afternoon, SBSTA Chair Konaté announced that, while the question concerning REDD on the SBSTA agenda had been resolved, discussions on the forum on response measures continued. In the corridors, some negotiators reported that the key sticking point concerning the SBI agenda was MRV, and the proposed agenda item on a forum on response measures was controversial on both agendas. One exasperated technical expert worried that "technical issues are being held hostage to policy debates," while another seasoned negotiator pointed to the "proliferation of response measures" in the agendas. As afternoon turned to evening, the spotlight was on the cramped backroom where the seemingly intractable issues were to be resolved, with one impatient negotiator suggesting "sending in the swat team to release the hostage agendas."



Climate Change Policy & Practice

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