

SB 36 AND AWG HIGHLIGHTS: WEDNESDAY, 16 MAY 2012

In the morning and afternoon, a number of contact groups and informal consultations took place under the AWG-KP, SBI and SBSTA. Under the AWG-LCA, an in-session workshop on equitable access to sustainable development was held.

AWG-LCA

The AWG-LCA in-session workshop on equitable access to sustainable development took place in the morning and afternoon.

UNFCCC Executive Secretary Christiana Figueres invited parties to consider three aspects of equity in relation to the global goal for emission reductions: country circumstances; historical and future contributions to overall emissions; and capacity to address climate change.

Sivan Kartha, Stockholm Environment Institute (SEI), highlighted three requirements for ensuring equitable access to sustainable development in the context of global and national peaking of emissions, namely that: global peaking of emissions and their subsequent rate of decline is consistent with limiting temperature increase to below 2°C; each country has a sufficient share of the limited greenhouse gas (GHG) budget and; each country has adequate financial and technical resources to stay within the available GHG budget without compromising development.

Prodipto Ghosh, The Energy and Resources Institute (TERI), presented an approach to equity in climate change, highlighting the requirement of formal justification of any equity principle and saying that it should be subjected to validation.

Nauru, for AOSIS, discussed elements of equity, science, sustainable development and survival. Underscoring equity in adaptation, he emphasized that small island developing States (SIDS) have high adaptation needs for which private sources of financing are not generally available. He noted the need for finance, technology transfer and capacity building to be scaled up, adding that the mechanism to address loss and damage should consist of a risk management facility, an insurance component and provide for slow-onset impacts.

BOLIVIA observed that equity is a key principle to solving the climate change crisis by linking rights and obligations. He proposed establishing a long-term work programme on equity with a concrete roadmap.

INDIA elaborated on notions of equitable access to sustainable development. He rejected the perception that a focus on equity reflects a “hesitation to act,” saying that equity is rather a key enabler for action. He called for a full discussion on this issue under the AWG-LCA and ADP.

SWITZERLAND explained that equity in the negotiations will emerge through differentiated forms of mitigation, adaptation and support; and elaborated on various equity principles including, *inter alia*, a focus on the ability to pay and the polluter-pays principle.

The SOUTH CENTRE emphasized the importance of negotiations on finance and technology, adding: “If equity is a gateway to ambition, then finance and technology are the gateways to equity.”

Bangladesh, for LDCs, indicated that countries that have developed unsustainably in the past have a primary responsibility to develop a global low-carbon economy and society.

CHINA explained that developed countries have “over-occupied” most of the existing atmospheric space through their cumulative emissions, transferring responsibility onto developing countries and creating a new form of inequality. He requested the establishment of a work programme on equity to further define equitable access to sustainable development in the context of a shared vision and broader negotiations.

SINGAPORE identified challenges to defining equity given different national circumstances, defining his country as one that is “disadvantaged” in terms of alternative energy sources. He said that his country does not support a formulaic equity approach based on criteria, such as *per capita* indicators.

The CLIMATE ACTION NETWORK (CAN) suggested a “three-phase process” to building a rough consensus on equity, including an “equity corridor,” comprising a dialogue to understand positions and agreement on key principles, followed by the application of these principles to key issues.

PAKISTAN requested clarification on how to proceed with different national definitions of equity that reflect domestic circumstances and SINGAPORE clarified that the goal is a definition of equity that reflects different national circumstances. The UNITED ARAB EMIRATES called for considering views on how national circumstances could be more systematically included in assessing equity.

EGYPT called for a discussion on the different facets of vulnerability as a cornerstone of future actions. In response, SINGAPORE noted that consideration of national circumstances



would take into account high vulnerability, assets, capacity and constraints that may impact what a country can contribute to global mitigation efforts.

CAN emphasized the need for a shared understanding of equity, noting that: some countries have not made pledges; developed countries need to move to the top end of their emission reduction ranges; and emissions from bunker fuels need to be addressed.

The EU identified the goal of a future regime as enabling all parties to achieve sustainable development, poverty eradication and climate-resilient growth. He explained that the UNFCCC's principles form a good basis but need to be interpreted in a way that reflects countries' evolving common but differentiated responsibilities and respective capabilities.

The US said that equitable access to sustainable development should focus on development opportunities and that a formulaic approach results in conclusions that are "not tenable in the real world."

BRAZIL stressed that historical responsibility lends itself to a quantifiable translation, and elaborated on equitable access to sustainable development as reflected in the shared vision and review.

AUSTRALIA emphasized that questions concerning equity cannot be answered with one dimensional formulae or "snapshots in time."

EGYPT observed that climate change mitigation efforts are costly and entail severe constraints, primarily on developing country fiscal budgets, and questioned the extent to which it is fair and equitable to impose strong mitigation demands on developing countries. He called for transmitting the outcomes of the workshop to the other Convention bodies and establishing a work programme on equity.

In the ensuing discussion, NEW ZEALAND noted that equity is applied continuously under the UNFCCC, including: in the decision-making process; the establishment of institutions; and actions taken, in the absence of definition. Acknowledging differences in national circumstances, she emphasized the need to ensure that all countries participate in mitigation efforts according to their capabilities. SOUTH AFRICA called for further work to understand the operational aspects of the Convention's principles. The PHILIPPINES inquired into strategies to decouple emissions from development, with AUSTRALIA pointing to a carbon price and the EU urging global action to avoid carbon leakage.

On the way forward, the EU indicated that a stand-alone debate on equity would not be productive and called for focusing on mitigation and adaptation.

A summary report of the proceedings will be prepared.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

TECHNOLOGY (SBI/SBSTA): In the morning informal consultations, parties discussed the report on the evaluation of proposals for hosting the Climate Technology Centre (CTC) (FCCC/SBI/2012/INF.4) and issues relating to the Advisory Board.

It was noted that the host of the CTC will be selected from three short-listed candidates, namely the United Nations Environment Programme, the Global Environment Facility and Det Norske Veritas AS. The three candidates will speak to the group on Thursday morning.

Parties also heard an explanation of proposed elements of the host agreement, including: status given to the CTC within the host country; financial and staffing arrangements; relationship to the Technology Executive Committee (TEC); and cooperation with other UNFCCC bodies.

Some parties requested a more specific timeframe on the selection process, while others reiterated the need for the host to be selected by 2013. Parties also requested details on alternative approaches if the proponent with the highest ranking does not match the criteria during the negotiations, with some stressing the need for transparency in the negotiation process.

Parties also briefly discussed issues relating to the Advisory Board, including composition, responsibilities and inclusiveness in regards to gender, regions and stakeholder representation.

APPEALS AGAINST CDM EXECUTIVE BOARD'S DECISIONS (SBI): In the morning contact group, parties considered a Co-Chairs' draft text on appeals against decisions of the CDM Executive Board.

On eligibility criteria for members of the appeals body, BOLIVIA highlighted that they should have expertise on environmental and socio-economic issues. GRENADA noted that appeals could be made on technical grounds and proposed either listing an extensive skillset or only mentioning that members should have "ten years of relevant experience." AUSTRALIA stressed the link between functions of the appeals body and the skillset required of its members. He emphasized the need for impartiality and highlighted the possibility for judicial experts to seek outside technical assistance.

GRENADA, supported by THAILAND, suggested deleting the requirement that members must be unaffiliated with any government. AUSTRALIA preferred retaining it, highlighting a situation where an appeals body member was involved in CDM negotiations. The EU proposed that the appeals body develop a code of conduct on impartiality and independence.

Parties also addressed internal management of the appeals body, including its composition and the quorum required for decision-making.

Highlighting the importance of accountability and access to justice, the CDM WATCH stressed the need for a broad legal standing and legitimate process that enables all those affected by the the CDM to raise their concerns.

Negotiations will continue.

NATIONAL ADAPTATION PLANS (SBI): In the morning informal consultations, parties discussed issues relating to both financial and non-financial arrangements for the formulation and implementation of national adaptation plans (NAPs) for LDCs (FCCC/CP/2011/9/Add.1). The meeting was open to observers.

Parties highlighted the importance of institutional issues in facilitating financial and technical support for the NAP process in LDCs. Various LDC parties outlined areas where support is required, noting the need for strengthening national capacity to ensure integration of adaptation into national development.

Parties will submit inputs for a draft text to be presented at the next meeting.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: In the morning contact group, parties considered the organization of COP 18 and CMP 8, future sessional periods and participation of observers (FCCC/SBI/2012/11).

The G-77/CHINA and the RUSSIAN FEDERATION highlighted the need for additional negotiating time between Bonn and Doha while acknowledging financial constraints. The US, supported by CANADA and AUSTRALIA, proposed organizing workshops instead of a negotiating session. INDIA and SOUTH AFRICA said workshops could be integrated into

the negotiating process. The Secretariat confirmed that the deadline for raising funds for the proposed intersessional meeting in Bangkok is Friday next week.

SBI Chair Chruszczow encouraged Eastern European states to present an offer to host COP 19 and CMP 9 as soon as possible.

The Chair will prepare text for draft conclusions and negotiations will continue.

LULUCF (SBSTA): In the afternoon contact group, Co-Chair Peter Iversen (Denmark) underscored that Decision 2/CMP.7 (LULUCF) requires the SBSTA to address: more comprehensive accounting; possible additional LULUCF activities under the CDM; alternative approaches to addressing the risk of non-permanence under the CDM; and modalities and procedures for applying the concept of additionality.

Parties agreed to prioritize work and submit text, including on the first three areas of work with a focus on technical aspects and experiences.

BRAZIL drew attention to non-permanence under the CDM, in particular to issues such as liability for reversibility, consideration of buffers and insurance and its implications.

BELARUS elaborated on time necessary to consider that “permanence” is achieved. The EU suggested parties also consider how the issue of addressing non-permanence would work, *inter alia*, between different commitment periods.

The Co-Chairs will prepare draft conclusions.

PROTOTYPE OF THE REGISTRY (SBI): The contact group considering the prototype of the NAMA Registry met in the afternoon, co-chaired by Elina Bardram (EU) and Wondwossen Sintayehu (Ethiopia).

The Secretariat briefed parties on functions of the NAMA Registry. The EU, supported by KENYA, noted the value of the Registry in matching projects with funding sources, indicating that it should not substitute other MRV requirements.

BRAZIL, supported by CHILE, SINGAPORE, CANADA, the REPUBLIC OF KOREA and SOUTH AFRICA, said access rights to the Registry should be reserved for the national UNFCCC focal points. JAPAN cautioned against overburdening the prototype as it could complicate the technical capacity of the Registry.

Mali, for the AFRICAN GROUP, supported by the US, the PHILIPPINES and ANTIGUA AND BARBUDA, requested a manual on the Registry for distribution to other NAMA stakeholders in their home countries.

The Co-Chairs will compile draft conclusions to be discussed during informal consultations on Monday.

ANNEX I FURTHER EMISSION REDUCTIONS (AWG-KP): During the meeting of the AWG-KP spin-off group in the morning and afternoon, Annex I parties made presentations on their submissions on QELROs (FCCC/KP/AWG/2012/MISC.1 and Add.1).

SWITZERLAND explained his country’s pledge to reduce emissions by at least 20% between the years 2013-2020 compared to 1990 levels and the possibility of increasing the target to 30% if other developed countries commit to comparable emissions reductions and economically more advanced developing countries contribute adequately according to their differentiated responsibilities and respective capabilities.

NORWAY elaborated on his country’s emission reduction target of 30% by 2020, which could be increased to 40% as part of a global and comprehensive agreement beyond 2012 where major emitting parties agree on emission reductions in line with the 2°C target.

The EU discussed their 20% emission reduction target from 1990 levels by 2020, and reiterated willingness to undertake a 30% reduction target as part of a global and comprehensive agreement, provided that other developed countries commit themselves to comparable reductions and developing countries contribute adequately according to their differentiated responsibilities and respective capabilities.

NEW ZEALAND explained his country’s pledge to reduce emissions by 10-20% below 1990 levels provided that: the global agreement limits temperature rise to 2°C; developed countries make comparable efforts; advanced and major-emitting developing countries take action commensurate with their capabilities; there is an effective set of rules for LULUCF; and there is recourse to international carbon market.

LICHTENSTEIN presented a reduction of at least 20% between 2013 and 2020 compared to 1990 levels, saying the level of ambition could rise to 30% if other developed countries make comparable commitments and economically more advanced developing countries also take appropriate mitigation action.

KAZAKHSTAN pledged a 15% reduction by 2020 and requested that the base year for her country be updated from 1992 to 1990. ICELAND pledged a 30% reduction in a joint effort with the EU, and emphasized its participation in the EU Emissions Trading Scheme.

During discussions delegates addressed, *inter alia*: the formula for defining QELROs for the 2013-2020 period; use of LULUCF; ways to raise the level of ambition; conditions to move to the top range of the pledges; implications for the Protocol’s environmental integrity; ways to calculate the carryover of AAUs; implications of using offsets from market-mechanisms; and existing domestic legislation.

Negotiations will continue.

IN THE CORRIDORS

On the third day in Bonn, many delegates spent the day on substantive discussions on equity and a broad range of topics taken up in the various contact groups and informal consultations under the SBI and SBSTA.

Delegates also worked to clarify the way forward under the AWG-LCA in order to avoid stalling work. “We are working to resolve the issue as fast as possible,” one delegate said on his way to evening informal consultations on the AWG-LCA agenda. “We have too much work before Doha to get gridlocked on the agenda.” Later in the evening agreement was reported on the AWG-LCA’s agenda. A delegate found in the corridors expressing relief and delight explained that the outcome includes a footnote indicating that the “consideration of some issues may already have been concluded.”

Looking further ahead, however, some worried about financial constraints surrounding the proposed Bangkok meeting and what they alluded to as “lack of enthusiasm” from some countries to have an extra session before Doha.

With the opening plenary of the ADP scheduled for Thursday, interest is brewing on who will be chairing the new body. With three nominations, and two of them from the G-77/China, delegates speculated on how the issue will be resolved in under 24 hours. The possibility of a late night meeting in order to reach agreement in time for the opening session were among the rumored strategies.



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