

BANGKOK CLIMATE TALKS HIGHLIGHTS: SUNDAY, 2 SEPTEMBER 2012

On Sunday morning, the AWG-LCA workshop on quantified economy-wide emission reduction targets by developed country parties took place. In the afternoon the AWG-LCA workshop to further the understanding of the diversity of NAMAs by developing country parties, underlying assumptions, and any support needed for implementation of these actions was held.

AWG-LCA

IN-SESSION WORKSHOP: QUANTIFIED ECONOMY-WIDE EMISSION REDUCTION TARGETS BY DEVELOPED COUNTRY PARTIES: Panel 1: Approaches to measure the progress towards achievement of the targets by developed countries parties: Andrej Kranjc (Slovenia)

opened the workshop, referring to the latest update of the Secretariat's technical paper on targets and approaches (FCCC/TP/2012/5). Thelma Krug, IPCC, moderated the session.

SWITZERLAND emphasized that clarification of approaches should not be seen as compliance or monitoring, but as a means to understand the intention of parties, suggesting that the Subsidiary Bodies take up this discussion. SAINT LUCIA said that progress is measured to know: "what the atmosphere sees," and what individual countries are doing. She suggested using the Kyoto Protocol rules, since they have been negotiated by all parties. SOUTH AFRICA proposed convening a technical workshop on comparability before Doha.

The US said multiple ways to achieve robust accounting are recognized in the Durban decisions. He pointed to the danger of double counting, observing that some developing countries have indicated their intention to count units they have sold internationally as part of the fulfillment of their national pledges.

NEW ZEALAND emphasized that fully harmonizing rule-based approaches may imply a trade-off with participation, because some parties may move away from cooperation.

Discussion: During the ensuing debate, one participant urged removing the "fear syndrome," bottlenecks in methodologies, and loopholes, and stressed the importance of a fair, harmonized, rule-based approach. The EU sought clarification from the US about: states, such as California, planning to use offsets and how they would ensure double counting is avoided; possible banking and borrowing from earlier years if using a point year target; and what rules would be used for the treatment of natural disturbances and whether the Kyoto Protocol rules should be used. The US responded that banking and borrowing is inconsistent with their inventory approach.

SAINT LUCIA said rules and harmonization should encourage, not deter, parties from taking action, and that no international credits should accrue to countries with point year accounting.

NEW ZEALAND distinguished between a common set of rules and full harmonization, saying the latter may not be possible for markets and LULUCF. She called for: flexibility within the reporting process to allow for national circumstances; and striking a balance between participation, scrutiny and compliance. She acknowledged the need to avoid market fragmentation and highlighted her country's difficulties in meeting emission targets without extensive offsetting, since half of its emissions come from the agricultural sector.

Several countries supported holding a technical workshop before Doha, while others highlighted that a joint workshop involving both developed and developing countries would be inconsistent with the Durban decisions.

On further rules, the US emphasized the need for a system that can accommodate all, so as to maximize both effort and participation.

Panel 2. Ambition of the pledges by developed country parties and related assumptions and conditions: John Christensen, UNEP, moderated the panel.

On ways to enhance the ambition of pledges, NORWAY emphasized: participation of all major emitters; clarity of major emitters' individual commitments; and a collective level of ambition.

BELARUS stressed that the road to significantly raising ambition runs through appropriate social policy and sustainable economic strategies, rather than through technical reforms.

BRAZIL highlighted that: some countries have not put forward unconditional targets; others presented conditions that are outdated, unclear or qualitative; and many countries' targets do not include pathways to achievement.

Reaffirming that the pre-2020 mitigation ambition is an absolute priority for AOSIS, the MARSHALL ISLANDS stressed the need to provide regular opportunities for high-level meetings that put the issue of removal of conditions at the top of the political agenda.

Maintaining that the Kyoto Protocol works, BOLIVIA presented figures demonstrating that the EU, Japan and other countries reduced their emissions between 1990 and 2010.

The RUSSIAN FEDERATION suggested considering lessons learned from the Kyoto Protocol, including that: agreed rules have to be fulfilled; and the need for flexibility to enable parties willing to participate to do so.

AUSTRALIA highlighted that some major economies are yet to submit pledges, and stressed that the process of clarifying pledges should not be confrontational. He highlighted

his country's plan to cap emissions, saying these precede consideration of what international arrangements they will enter into.

CHINA said comparability should include consideration of: the legal nature of commitments; the magnitude of mitigation targets; and the compliance systems. He underscored that only through rigorous common accounting rules is it possible to show that developed countries are taking the lead.

The EU said that emission reductions in the aviation sector do not count towards its Kyoto Protocol commitments. He stressed that common accounting rules should be the core of the post-2012 period.

MALI called for three decisions from Doha: establishing a work programme on common accounting rules; converting the pledges to emission trajectories; and establishing a panel for compliance.

Discussion: JAPAN highlighted the potential role of the biennial reports from IAR in enhancing comparability. CANADA said that he does not support limitations on the use of banking or international market-based mechanisms, although his country does not intend to use these mechanisms.

IN-SESSION WORKSHOP: TO FURTHER THE UNDERSTANDING OF THE DIVERSITY OF NAMAS BY DEVELOPING COUNTRY PARTIES, UNDERLYING ASSUMPTIONS, AND ANY SUPPORT NEEDED FOR IMPLEMENTATION OF THESE ACTIONS: Panel 1: Underlying assumptions and methodologies, sectors and gases covered, global warming potential (GWP) values used and estimated mitigation outcomes: John Christensen, UNEP, moderated the panel.

On methodological challenges for NAMA preparation and implementation, INDONESIA mentioned, *inter alia*: "constructing business as usual" projections and establishing baselines; selection of effective and efficient mitigation actions and financial schemes; and stakeholder engagement.

Recognizing that NAMAs vary and are country-driven, the EU said that assumptions considered in the preparation of a NAMA need to be developed by countries individually. She listed challenges, such as: the establishment of baselines; inclusion of sectors, gases and GWP values; and the role of offsets. She proposed that in 2013 SBSTA address the information requirements for each type of NAMA, with a view to reducing uncertainty and ensuring transparency, while preserving diversity.

SOUTH AFRICA emphasized that NAMAs should be designed to: ensure "maximum flexibility;" respect the diversity of actions; promote further action; and include poverty reduction aims, beyond emission reductions. The MALDIVES identified challenges with establishing MRV systems, noting that CDM approaches have been "project-centric" and costly.

MEXICO identified assumptions in design and implementation of credible and accountable NAMAs, including: existence of a national certifying body; development of sectoral baselines; and the availability of funding and technology through soft loans, national budgets, and private sector sources.

JAPAN identified limitations in data availability in developing countries, the challenge of establishing MRV systems and potential double counting of offset credits.

Discussions: Several developing countries underscored that instruments for transparency have been developed under the AWG-LCA, such as ICA and biennial update reports, and therefore they did not see the need for additional processes. SOUTH AFRICA, with BRAZIL, CHINA and SINGAPORE, underscored that NAMAs are country-driven, diverse and must respect national circumstances; and expressed reservations about their standardization.

The US and EU highlighted the value of increased transparency on NAMAs, through expressing the underlying assumptions, such as GDP growth and baseline emissions. In

response to a question from CLIMATE ACTION NETWORK, many parties acknowledged the potential usefulness of developing indicators of progress for NAMA implementation.

Panel 2: Support for NAMAs: The second panel was moderated by Youba Sokona, UN Economic Commission for Africa.

Underscoring her country's mitigation initiatives in the renewable energy sector, URUGUAY said operationalizing support is essential for NAMA preparation and NAMA registry development.

Presenting a national initiative on mitigation in the renewable energy sector, the PHILIPPINES described the role of international support for covering the incremental costs of implementing measures, for example, the need to provide international support to cover incremental costs of extending the electric grid for renewable energies.

MALI said his country is developing a green growth strategy focused on several sectors, suggesting a handbook for NAMA preparation and regional workshops would be helpful for providing guidance to countries developing their NAMAs.

Acknowledging the importance of international climate finance to support implementation of NAMAs, the EU noted, *inter alia*, the need for countries to contribute their own finance.

AUSTRALIA highlighted that NAMAs should fit with the country's broader low-emission development strategy.

Discussions: Issues discussed included, *inter alia*: new and additional resources of financing for NAMAs; operationalization of support through the Registry; and donor coordination. Developing countries emphasized human, technological and institutional capability challenges and, supported by CLIMATE ACTION NETWORK, suggested that the UNFCCC organize regional workshops to increase capacities and allow countries to link up.

IN THE CORRIDORS

On Sunday, the hallways of the UN Conference Center were quieter than usual, with only the mitigation workshops on the official agenda.

Reflecting on the remaining days, attention turned to the ADP. "The roundtables were definitely a useful exercise, and I think that we have a clearer understanding of each other's positions on vision and ambition, but there is lack of clarity on what comes next," said one delegate. Meanwhile, the ADP Co-Chairs were purportedly busy conducting informal consultations aimed at gathering parties' views on how the ADP should take its work forward.

Considering the challenges on the road to Doha, another delegate pointed to the chicken-and-egg dilemma of simultaneously terminating the AWG-LCA and AWG-KP, with developed countries eager to conclude the AWG-LCA, and developing countries urging finalization of the AWG-KP first. "Adding to this conundrum, the content of the ADP remains unclear," said one observer. "We must have a successful conclusion of these bodies before work on the ADP begins in earnest so we know what we are working with," he added. Pointing to a prevailing atmosphere of mistrust, in particular as certain promises under the Bali Action Plan remain unfulfilled, some cited a phrase heard in plenary, "One should never confuse an obligation with a bargaining chip."

On a more hopeful note, civil society staged a number of actions outside the UN Conference Centre, including the "bikers for the climate" initiative that promotes alternative modes of transport.