

An aerial photograph showing a flooded residential area. In the foreground, a young child in a light blue shirt and shorts walks across a vast, cracked, and parched earth surface. In the background, a street is completely submerged in muddy brown floodwater. A person in a colorful life jacket is seen in the water, possibly on a small boat or raft. To the left, a brick house and other buildings are partially submerged. The overall scene illustrates the impact of extreme weather events on urban areas.

Third World Network

Bangkok Climate News Updates

(April 2011)

TWN

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NOTE

This is a collection of 10 News Updates and two articles prepared by the Third World Network for and during the recent United Nations Climate Change Talks – the Sixteenth Session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 16) and the Fourteenth Session of the Ad Hoc Working Group on Long-term Cooperative Action under the UN Framework Convention on Climate Change (UNFCCC AWG-LCA 14), as well as workshops pursuant to the Cancun Agreements – in Bangkok, Thailand from 3 to 8 April 2011.

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US Says No to “Top-down” Rules for Targets and Compliance

Bangkok, 4 April (Meena Raman) – At a pre-session workshop on the emission reduction targets by developed country Parties held in Bangkok on 3 April under the United Nations Framework Convention on Climate Change (UNFCCC), the United States said that it could not support an international regime or structure of top-down rules for setting emission reduction targets and consequences for non-compliance.

Dr. Jonathan Pershing said that the US has made a pledge of 17% emission reductions by 2020 based on 2005 levels and was committed to that and a review process. The US was not adopting the Kyoto Protocol and it was not for a structure of top-down rules that “someone else established”.

During the workshop, he stressed that compliance would come from countries having domestic law. But he also said that the US Congress had not passed a climate bill and he did not know when it would do so.

Pershing said that it was dubious if there could be an international regime with consequences for not meeting the targets set. If Parties can take domestic emission targets and make that a domestically legally-binding regime that would be a huge step forward. He said that Parties could then compare and assess in their domestic context their actions and the transparency of that would give Parties the confidence needed.

On the issue of compliance, for the US, Pershing said that it is in the context of domestic law (and not an international regime). He said that there are huge consequences for non-compliance in the domestic law and it would apply to cap and trade, energy, clean air standards etc.

However, Pershing also clarified, in response to questions, that the US did not have national legislation covering the reduction target, as Congress has independent authority and “we don’t know when it will pass the law.”

Dr. Jonathan Pershing was speaking at a pre-session workshop on assumptions and conditions related to the attainment of quantified economy-wide emission reduction targets by developed country Parties held following the Cancun decision.

The Conference of Parties (COP) at its 16th session in Cancun took note of quantified economy-wide emission reduction targets to be implemented by Annex 1 Parties as communicated by them. The COP further requested the secretariat to organise workshops to clarify the assumptions and conditions related to the attainment of these targets. The COP decision also urged developed country Parties to increase the ambition of their targets and requested the secretariat to prepare a technical paper with the aim of facilitating understanding of these assumptions and conditions and a comparison of the level of emission reduction effort.

The first round of these workshops is being held in Bangkok in conjunction with the 14th session of the Ad-hoc Working Group on Long-term Cooperative Action (AWG-LCA) from 5 to 8 April.

The workshop was facilitated by two co-chairs, Mr. Richard Muyungi of Tanzania and Mr. Maas Goote of the Netherlands. Also in attendance was Ms. Christiana Figueres, the Executive Secretary of the UNFCCC.

The workshop heard presentations from the United States, the European Union, the G77 and China, Norway, Australia, France, Switzerland, the Alliance of Small Island States, New Zealand, Germany, Russia, India, Sweden, Japan, Poland, Bolivia, the United Kingdom and Iceland.

(This article reports on the US intervention, see separate article in respect of the others).

The US representative Jonathan Pershing said that the US mitigation commitment is in the range of a 17% reduction in emissions by 2020 compared to 2005 levels, which is in conformity with anticipated US energy and climate legislation

recognising that the final target will be reported to the UNFCCC Secretariat in the light of enacted legislation.

He clarified that this commitment comprised domestic mitigation action with no reliance on international carbon offsets. It was an economy-wide target, which is not limited by sectors.

Pershing said that US emission trends have been declining from 2005 to 2009 to a level 8% below that in 2005.

He said that until last year, President Obama's administration had been pursuing a cap and trade programme but this did not pass through the US Congress. Since then, the US has been working on alternative policies with a fundamentally increased level of support for clean energy, energy efficiency etc.

In relation to emissions trading and offsets, Pershing said that the US does not have federal law in this regard, while some states do. In the context of new federal law in the future, this may be included and any mechanism would meet high standards for environmental integrity and transparency.

Pershing said that the US was in a model that reflects its national circumstances.

At question time, Korea said that Parties were curious about the date or year when the US would adopt legislation on climate change.

Pershing said that the US had reported at a previous session in Bonn that it was looking to legislation that looked promising, that had included carbon trading and so on. But no such legislations had been passed.

He added that Congress has independent authority and "we do not know when it will pass a law (on climate change)". But the US will stay with its 17% target and look to legislation and regulation that will make it comply, he said.

Pershing also spoke on the issue of comparability of efforts among developed countries, a principle agreed to in the Bali Action Plan. (In most of the discussions and the data provided by developed countries, the emission reduction targets are given from the base year 1990 to the target year 2020).

Pershing however reiterated the US position of stating its target for 2020 with the base year of 2005. He said that there were different ways of

making comparisons, and in some of these ways the US target is comparable with other developed countries'.

For example, if the target is taken as 2020 from 1990 levels, the targeted reductions are 3.1% for the US, 25% for Japan, 20-30% for the EU and 10% for Australia. However, based on other measures or years, the US is comparable. Based on 2005 levels compared to 2020, he said that the US target is 17%, the EU 13-24%, Japan 33% and Australia 10-20%. Based on emissions per capita reduction from 1990 to 2020, he said that the US was comparable with 28-29%, the EU 21-31%, Australia 35% and Japan 25%. He said that the US was also comparable in terms of GHG intensity reduction (from 2005 to 2020), with a 40% reduction, the EU 38- 45% and Japan 50%.

Pershing stressed that the US had different perspectives on the issue of comparability. He said that he did not believe that Parties could agree on a single metric for comparability. The year 1990 (as base year) does not work for the US. For the US, 2005 is the base year used to compare emission reductions.

Pershing said that the language in the Bali Action Plan does not refer to a metric as it talks of "comparable efforts". He said this was about the national circumstances of countries.

He said that "comparability" is different from "adequacy" (of the targets). There was a need to look at the contribution to the overall global levels and whether those concentrations (of GHGs) would lead to temperature rise and are going the wrong way. Having a common metric was much less important, said Pershing.

In response to several questions on the ambition level of the US, Pershing said that if one starts with just the present numbers (re: the pledges), Parties would fall short of limiting the temperature level to a 2-degree C rise. He said that no one is going to stop at the current numbers. The question was how to take modest actions to significant steps to what is needed. He said that the Cancun decision is a good place to start, with global transparency, building confidence and creating mechanisms for finance and exchange of technologies. Parties needed to take steps and see what works, he said.

Annex 1 Pledges Insufficient, Developing Countries Doing More

Bangkok, 5 April (Meena Raman) – Developing countries and several developed countries agreed that the current pledges for emission reductions by developed countries are insufficient to limit the temperature rise to 2 degrees C.

This was one of the conclusions of the pre-session workshop held on 3 April in Bangkok under the UN Framework Convention on Climate Change (UNFCCC) on the emission reduction targets by developed country Parties.

Presentations by the G77 and China, the Alliance of Small Island States, India and Bolivia showed that the level of ambition among developed countries was far too low and there was a grave need for deeper cuts and targets.

The European Union and Switzerland also agreed that there was a need to increase the ambition level of the developed countries (See separate article on developed country pledges for further details).

A presentation by Bolivia at the workshop revealed that the pledges of developing countries showed that they were contributing more to the abatement efforts than the developed countries.

The G77 and China stressed the importance of the Kyoto Protocol as the reference for comparability of effort among developed countries and the level of ambition. For the G77 and China, without reference to this, it was difficult to see the international regime move forward and this would amount to a watering down of the global effort.

The Group also raised the issue of the extent of reliance by developed countries on offsets. It said that if developing countries have to do their own mitigation actions and a significant or majority of that is for developed countries' mitigation (in terms of offsets), this turns the principle of common but differentiated responsibility on its head and is problematic from an equity standpoint.

India, in presenting a carbon budget approach to mitigation, said that the unilateral claims of the developed countries through weak pledges amounted to unilateral appropriation of the development space of developing countries.

The co-facilitator of the workshop, Mr. Richard Muyungi, summarised some key issues raised at the workshop. He said that there was a recognition of the gap in the ambition level in keeping the temperature limit to a 2-degree C rise. There was a need to do more. Many developed countries have de-coupled emissions from economic growth. The issue of land-use and land use change and forestry (LULUCF) was important in understanding the targets. There was a lively discussion on adequacy and comparability of efforts and the need for an international rules-based system. There was a need to clarify the role of LULUCF, accounting rules and level of domestic actions and the scope of offsetting. There was a need to relate work here to the Kyoto Protocol.

Brazil, for the **G77 and China**, said that the assumptions and conditions in framing the pledges and targets need to be clarified. It said that it was essential to consider the conversions of pledges into quantified emission limitation and reduction objectives (QELROs) with a common base year and a common start year for (emission reduction) commitment periods. The definition period of the second commitment period under the Kyoto Protocol is also key for clarity.

Other topics for clarification include the counting of carbon, modalities for measurement of emissions and removals of (carbon) sinks.

Brazil said that the target number does not translate to stringency or contribution of a Party to the global effort, and there was a need for consideration of LULUCF and how emissions from forests are treated.

In the definition of the pledge, Brazil said that it was essential to know how strong the commitment is. What is the nature and use of offsets? Parties have seen ideas for different kinds of offsets, some domestic instruments and some international. This was not just an issue of clarity but an issue of equity as well. What is the domestic effort within the pledge in the context of low domestic effort and reliance on offsets by developed countries? If developing countries have to do their own mitigation actions and a significant or majority of that is for developed countries' mitigation (in terms of offsets), this turns the principle of common but differentiated responsibility on its head and is problematic from an equity standpoint, said Brazil.

Brazil also said that there was a need to move from diversity of efforts to a comparability of efforts.

There is recognition of the need to enhance ambition (as regards emission reductions). Comparability and ambition work hand in hand and are strongly determined by the assumptions underlying the pledges. The rules must be rigorous and defined internationally. A bottom-up approach through national determination of rules for measuring carbon and use of offsets does not generate a comparable structure.

Brazil stressed that for the G77 and China, the Kyoto Protocol reference for comparability and ambition is key. Without reference to this, it is difficult to see the international regime move forward. Otherwise, it was a watering down of global effort.

Brazil said that the pledges so far are not sufficient for limiting temperature rise to 2 degrees C and enhancement was necessary.

It said that there was a need to gain, as a result of the workshop, a clear notion of what would be the aggregate mid-term target of the Annex 1 Parties (developed countries), as this was not the case so far. There was a need for discussion of this fully and of how compliance would be ensured of the mitigation commitments.

India said that the correct framework for mitigation to be addressed is equity. Sustainability must be limited to an acceptable 2-degree C temperature level without prejudice to a review of this temperature limit. This implies a carbon budget for the world. For 2010 to 2050 only 300 Giga tonnes of carbon (GtC) is allowed for the world (which has a 50% of mean probability of staying below 2 degrees C). The global carbon budget has implications and there is a need for a paradigm for equitable access to sustainable development. Carbon budgets cannot be distributed inequitably. Between 1970 and 2009,

Annex 1 Parties contributed to 66% of the cumulative emissions.

Unilateral claims through weak pledges amount to unilateral appropriation of development space, said India. If Annex 1 countries do not restrict their budget, then developing countries get less. The lower the pledges of developed countries, the lower the carbon space for developing countries.

With a carbon budget of 300 GtC, the cumulative emission pledges on the lower limits of Annex 1 Parties would be 96.34 GtC and what is left for non-Annex 1 Parties would be 203.7 GtC and if the upper limit of the pledges is taken, then Annex 1 Parties would have 91.45 GtC and what is left for non-Annex 1 Parties would be 208.6 GtC. Based on the IPCC (Intergovernmental Panel on Climate Change) Fourth Assessment, taking the higher cuts needed for Annex 1 Parties, the Annex 1 Parties should have 44.33 GtC and what is left for non-Annex 1 Parties is 255.67 GtC.

India said that there was a need for a radical increase of ambition levels on the part of the Annex 1 countries. In the fight for equitable access, the real picture of the carbon budget relates to future entitlements for Annex 1 and non-Annex 1 countries from 2010 to 2050. For non-Annex 1 countries, the future entitlement amounts to 425 GtC. For the Annex 1 countries, there is an over-occupation of the carbon space and hence there is a negative entitlement of minus 125 GtC based on 2009 population.

India emphasised that equitable access has to be at the centre of negotiations. Sustainable development is necessary and needs far deeper cuts from developed countries. The gap between the entitlement and the available carbon space provides the scientific benchmark that developing countries must obtain. The portion of carbon budget available to non-Annex 1 countries is 255 GtC.

India said that entitlements of this kind provide a much firmer basis and benchmark for financial resources and technology transfer. Equitable access and equity should be the centre of the climate discourse and provide the basis for what the world has to do.

In response to India, the **US** said that it was pessimistic about equitable access and that it was dubious that equitable access to sustainable development can be equated to atmospheric space. The US said further that adopting a cumulative approach is backward looking.

India in reply said that the cumulative emissions approach is not backward but looks to the future. The US Academy of Sciences also looked at

the carbon budget approach rather than looking at sinks and sources of emissions and said that the carbon budget approach is a viable policy planning tool. Historical responsibility is an issue and concerns the sharing of finite resources. In the context of mitigation, sustainability is about living with finite resources and equitable access to a finite resource is central to climate change.

Bolivia, referring to work by the Stockholm Environment Institute and the United Nations Environment Programme (UNEP) on the abatement of emissions in a 2-degree C scenario, said that the gap in abatement is 7.4 to 5.3 Gt of CO₂ equivalent. This can lead the world to a 4- to 5-degree C increase in global temperature. Looking at the emission pledges on the table, developing countries are going to be doing more emission reductions than developed countries (54% vs. 46% at the lower end of the pledges and 57% vs. 45% at the higher end of the pledges). The offsets by developed countries can be 16% of the global nominal pledges and because of the offsets, the abatement can only be 5.5 Gt. of CO₂ equivalent for the lower end of the pledges of developed countries. The gap in abatement will be higher because of offsets at 8.5 Gt. CO₂ equivalent.

With offsets of developed countries, developing countries will make even more effort than developed countries with developing countries doing 65% while developed countries only contributing to 35%.

The **EU** agreed with Bolivia that the level of ambition was not enough. It expressed interest in the figures.

The Alliance Of Small Island States (AOSIS) stressed the urgency of emission reductions with sea-level rise of more than 1 metre by 2100 being likely.

On the scale of ambition for emission reduction, a gap remains between pledges on the table and what is needed to limit the temperature rise consistent with 1.5 degrees C and 2 degrees C. It said that the global emissions gap for 2020 is 5 to 9 GtCO₂ equivalent a year if the (2010) Cancun decision pledges are fully implemented. The cost of closing the gap is manageable at 0.4% of the GDP in 2020.

AOSIS said that the Annex 1 pledges deliver only 1% to 7% reduction from 1990 levels. A reduction of 6% in emissions can be achieved at close to zero cost. Annex 1 countries need to undertake a further 2 to 3 GtCO₂ equivalent per year reduction by 2020. It said that some countries like the US, Canada and Australia are actually reducing their pledges and some countries are deeply relying on offsets.

According to AOSIS, a 20% to 40% reduction by Annex 1 Parties costs approximately 0.1-1.5% of Annex 1 GDP in 2020. It said that the lack of ambition is a fundamental problem.

The **US** challenged the AOSIS data and said that it did not believe those assumptions and that faulty data are being used. It said that if Parties were going to have a process to assess the performance of countries, there was a need to solicit inputs of countries on those assumptions.

The **Solomon Islands** said that it will be useful to have a standard format in relation to the pledges of the developed countries. It said the current pledges show more suffering in developing countries if there is no ratcheting up of pledges.

Tuvalu said that it was widely recognised that the developed country pledges were gravely inadequate.

Switzerland agreed with the G77 and China that the Kyoto Protocol can be a reference for comparison (of efforts). It said that the Kyoto Protocol has to be improved on the coverage of gases and its rules.

The EU agreed with Brazil that there is overall insufficiency of ambition in relation to the pledges and a need to address the problem of accounting rules.

Brazil, speaking for the G77 and China, in response to a question said that there is space for improvements to the Kyoto Protocol but it has to be in the direction of enhancing environmental integrity. For a solid basis for improvements, it should be defined internationally, which is top-down and not from a bottom-up approach.

Developing Countries Question Pledges of Annex 1 Parties

Bangkok, 5 April (Meena Raman) – In a very lively exchange of views between developed and developing countries at the pre-session workshop held on 3 April in Bangkok under the UN Framework Convention on Climate Change (on the emission reduction targets by developed country Parties), developing countries questioned the “wait and see” approach of the developed countries in expressing their pledges.

Developing countries questioned the conditions attached to some of the pledges of developed countries, such as “major developing economies” restraining their emissions and for access to new market mechanisms and reliance on international carbon offsets.

They also expressed concern over the uncertainties in the pledges in relation to accounting rules and use of offsets and with the very low level of ambition of the pledges.

Brazil and Pakistan said that many countries have presented numbers that depend on what other countries would do. Countries were adopting a “wait and see” approach and this was a key political issue when Annex 1 Parties are supposed to take the lead in mitigation reductions.

Brazil said that there was a dangerous situation of uncertainty and unwillingness to act on the part of developed countries.

In an intense exchange of views between Brazil and Australia on the claim by Australia that the Kyoto Protocol would not take Parties to limiting temperature rise to 2 degrees C, Brazil said that an issue that must be clear is that the deficiencies attributed to the Kyoto Protocol are due to the low level of mitigation in the first commitment period (that will end in 2012). That was not the fault of the Protocol and the Kyoto Protocol structure could put Parties back on track for the second commitment period.

It said that “abandoning the Protocol does not put Parties on a better track”.

Another issue of concern raised by Argentina and Egypt was the proposal by the European Union to introduce the international aviation sector into its Emissions Trading Scheme (ETS), which would affect carriers from developing countries.

The workshop heard presentations from the United States, the European Union, the G77 and China, Norway, Australia, France, Switzerland, the Alliance of Small Island States, New Zealand, Germany, Russia, India, Sweden, Japan, Poland, Bolivia, the United Kingdom and Iceland.

The **European Union** reiterated that its pledge by 2020 was 20-30% emission reductions compared to 1990 levels. The 20% offer was independent and it was prepared to move to 30%, which includes both domestic reduction and international credits through the use of the carbon markets. Its 30% target reduction is conditional on all Parties contributing their fair share to a cost-effective global emission reduction pathway.

It was also working towards reducing domestic emissions in the EU up to 80-95% by 2050. This was not going to be achieved by reducing the GDP or by de-industrialising the EU. The EU said that its legislation to meet its 20% emission reduction was more ambitious than the Kyoto (Protocol)/Marrakech (2001 decision) rules, e.g. inclusion of international aviation, LULUCF, single base year etc.

The ambition level is to stay below 2 degrees C and reduce global emission levels by 50% by 2050, based on 1990 levels. This, it said, required efforts by all with developed countries making minus 25-40% reductions by 2020 and 80-95% reductions by 2050.

It said that the developed country commitments now only amount to a minus 13-18% by 2020, which is not in line with the less-than-2-degree-C scenario.

For the EU, the comparability of efforts (among developed countries) is important and that one size does not fit all. Market-based approaches are key for cost-efficiency and to close the ambition gap, said the EU.

It said that accounting rules are key. Rules matter for comparable commitments (regarding start point, base year, sectors, gases); comparable reporting that is robust and brings confidence that is needed; on how targets are to be achieved (re: market-mechanisms, land-use, land use change and forestry rules) and rules under the Kyoto Protocol on banking. In the AWG-LCA (Ad Hoc Working Group on Long Term Cooperative Action under the UNFCCC), Parties must ensure that “a tonne is a tonne”, referring to emission reductions. There is a need for common transparent accounting rules to ensure comparability and (Parties) can build on the rules of the Kyoto Protocol.

Argentina, in reference to the EU presentation, asked how the EU efforts took into account equity and common but differentiated responsibilities (CDR) in relation to the policies regarding the implementation of the European ETS on civil aviation and maritime transport. It said that the costs of mitigation would be transferred to developing countries and asked how the EU would ensure that this is consistent with the CDR principle and the need to support an open and supportive economic system. It wanted to know if non-European airlines will be obliged to take on the obligations of the EU ETS.

Egypt referred to the EU aviation legislation and asked for further clarification. It also asked what the EU meant in terms of increasing its level of ambition subject to a global agreement.

The Philippines in response to the EU said that the EU roadmap for 2020 shows that a 25% emission reduction can be achieved by existing policies and targets. The 20% unconditional target was already above the EU business as usual and the EU should therefore move to an unconditional target.

China asked what the EU meant by “all Parties having to do their fair share” and what were the criteria. Since the EU said that comparability was key, the Kyoto Protocol should be the reference.

In response to the questions, the **EU** said that it did not think there was a need to have a single metric for comparability but has to do with political judgement.

On the question of the Kyoto Protocol as reference, that was a simplistic approach and there was a need to look at different metrics. On compliance, the starting point is under the Kyoto

Protocol, which has a compliance system and an enforcement mechanism.

On international aviation, of the EU 20% target, 1% to 2% will be covered by aviation emissions. On the issue of complementarity in relation to its 20% target, up to 4% of that is from international credits. 80% of the effort is domestic and 20% is from credits abroad.

On the EU roadmap, it was true if all legislation was implemented, it could reach 25% emission reductions but this was not easy.

In response to the question by Argentina, the **EU** said that the aviation and shipping sectors are competitive and have a level playing field. Hence, there is no differentiation here (between developed and developing countries). In the ETS system, all carriers are treated in the same way and have a common responsibility and there is no discrimination among them. There is a *de minimis* rule where countries that have few flights to Europe (whose administrative costs are larger than the gains) are excused. The revenue collected from the airlines would be used for actions not only in Europe but also for developing countries.

Norway said that global GHG (greenhouse gases) emissions must be reduced by 50-85% by 2050. Its pledge is in the context of an ambitious global agreement which could be a new agreement or under the Kyoto Protocol as part of a dual track (under the Convention and the Kyoto Protocol). Its target is an emission reduction of 30% by 2020 based on 1990 levels. This includes the use of flexibility mechanisms with two-thirds of the emission reductions being through domestic efforts. In the context of a global agreement, its emission reduction target would be 40% by 2020 and it would reduce emissions by 100% by 2030 and be carbon neutral.

It said that there was a need for common rules for accounting especially LULUCF and use of international credits. It said that it intends to revise its commitments in accordance with rule changes, with the aim of keeping the overall high ambition level unchanged.

Switzerland said that its pledge is between minus 20% and 30% by 2020 compared to 1990 levels. The 30% target is if other developed countries commit to comparable emission reductions and developing countries contribute adequately according to their responsibilities and respective capabilities. On offsets, one-third of the reductions will be made abroad and two-thirds will be domestic reductions. An increase in the reduction target from 20% to 30% involves an increase in the use of offset

mechanisms. It said that these proposals are under Parliamentary debate.

New Zealand said that its target for 2020 is 10-20% reduction below 1990 levels and this was conditional on a global agreement to limit temperature rise levels to 2 degrees C; there is a comparable effort by developed countries; advanced and major emitting developing countries taking action in line with their capabilities; full recourse to broad and efficient markets and an effective set of rules for LULUCF.

Germany said that it had an unconditional 40% reduction target based on 1990 levels. The 30% EUwide reduction in GHGs by 2020 translates to a 40% reduction for Germany and requires a reduction of 250 million tonnes per year of GHGs compared to emissions volume in 2007. Its actual emissions today are 26.5% below 1990 levels. It said that what it had learnt was the need for a legally binding frame with a clear perspective and conditions for reaching its targets. Financing and incentives are key for developing green technologies as well as for a robust monitoring system.

Russia said that its main condition related to its pledges is to return to the pre-crisis rate of economic growth. It said that the Russian development was very far from other developed countries' and it cannot be compared to the US, Germany, Japan or even South Korea.

Russia said that its leaders have pledged a target of minus 15-25% reduction in emissions compared to 1990. The main assumptions are that there will be a growth in energy efficiency by 40% in the period 2007 to 2020 and an increase of share of coal in the energy balance from 19% in 1990 to 22% in 2020.

The decision of the government is for low-carbon growth with a decrease of energy intensity by 40%. If everything is realised the target is to reduce by 28%. If not it would be 14%. Hence, the range would be 14-28%, depending on the political situation.

Japan referred to the tragedy of the earthquake and tsunami of 11 March and said that the scale of damage was unprecedented and tremendous. It was starting reconstruction and was concentrating on relief efforts and seeking all possible measures to control the damaged nuclear power plant. It said that it resolved to make all efforts on climate change and aimed for a single and effective framework for all major countries.

Australia said that its target for emission reductions is 5-15% below 2000 levels. The 5% below target is the minimum and is an unconditional commitment while the up to 15% below is subject

to global agreement; all major economies substantially restraining their emissions and advanced economies taking on comparable commitments to Australia's. The other alternative target for Australia was 25% below 2000 levels conditional on an ambitious global deal capable of stabilising levels of CO₂ equivalent at 450 ppm or lower. This presents access to offsets and the need for flexibility, given that its per capita emissions are high and it is heavily coal-reliant.

Australia in response to questions said that on offsetting, no figure has been determined yet as to what proportion of the reductions this would be.

Egypt said that there appeared to be common conditionalities in the pledges of developed countries which rely on the markets, on the idea that carbon pricing is the most cost-effective to assume reductions. This may be profitable but is not necessarily beneficial to all Parties. It asked what the effect was of offsets (international credits) in increasing the cost of abatement in developing countries. Developing countries are undertaking nationally appropriate mitigation actions and the opportunity for their own mitigation would be more costly.

Venezuela expressed concern that it had not heard developed country Parties say how they are going to achieve the aggregate target needed for collective effort. It asked for clarification on the market mechanisms as the developed countries saw this as a panacea to achieve their pledges. It said that there has been no decision for new market mechanisms and there is no provision (for this).

Brazil said that it was important for Parties to indicate, in relation to the pledges, what are domestic efforts, what are through LULUCF and of offsets. Indications are that the picture is quite hazy and difficult to be clear about the final implications of the pledges once all conditionalities and assumption are resolved.

Brazil said that on the issue of offsets, it was important to point out the difficulty in considering the mitigation contributions on the continuity of the Kyoto Protocol if Parties formulate their own set of rules. The issue is that Parties are establishing protections regarding the uncertainty of future rules. There are many references to rules as if they do not exist. It was concerned that existing definitions and frameworks were not being used for calculations of the pledges.

Brazil also said that many countries brought in elements in their pledges which are more political and economic definitions such as the possibility of what all major economies will do or advanced

economies will do. In reference to Australia's presentation, it found it difficult to understand the characterisation of "substantive contributions of major economies". It asked if there was a more specific formulation of this.

Brazil said that many countries have presented numbers that depend on what other countries would do. Countries were adopting a "wait and see" approach and this is a key political issue when Annex 1 Parties are supposed to take the lead in mitigation reductions. There was a dangerous situation of uncertainty and unwillingness to act.

Australia in response said that these were political judgements made by the Prime Minister and the Cabinet. The question was how to persuade the domestic constituency. It disagreed that countries were waiting and seeing as they were acting.

Brazil in reply to Australia said that there were political judgements in developing countries too and that was the continuity of the Kyoto Protocol. It was not clear as to what is the mid-term level of ambition and what are the rules and what is the mitigation obligation and the use of offsets. To what extent are Annex 1 Parties relying on offsets, asked Brazil? This creates a situation of extreme political difficulty for developing countries. There is no clarity on the second commitment period of the Kyoto Protocol and what is going to define the mid-term aggregate target.

Australia in a further response said that the Kyoto Protocol will not take Parties to limiting the temperature rise to 2 degrees C and there was a need to work on how major emitters come into the post-2012 structure.

In reply, **Brazil** said that an issue that must be clear is that the deficiencies attributed to the Kyoto Protocol are due to the low level of mitigation in the first commitment period. That was not the fault of the Protocol and the Protocol structure could put Parties back on track for the second commitment period. Abandoning the Protocol does not put Parties on a better track.

The **US** said that on the issue of offsets, the simple solution is to ensure environmental integrity and with no double counting. **Switzerland** also said that there should not be double counting in international offsets.

Pakistan said that the workshop showed that the global effort remains seriously deficient to meet the 2-degree C limit in temperature rise. One observation is that Parties are saying that "I will do more if you are going to do more." Hence, those who suffer from climate impacts will continue to do so with such an approach. On the future steps needed, there must be rules of comparability and compliance. National instruments have been suggested (referring to the US approach) but if Parties are to limit the temperature rise, then international rules are what must be constructed for the emission reductions of developed countries.

Saint Lucia said that it was clear that there was a need for improved accounting rules and the Kyoto Protocol rules must be central to the architecture and the rules have to be multilateral and not national and must ensure environmental integrity.

Egypt said that the workshop was meant to clarify assumptions and conditions about the pledges and the level of ambition as well. There was a need for the classification of the different assumptions and for unified rules. It expressed concern on the way the Kyoto Protocol is selectively applied. At the next workshop, Egypt said, there was a need to define options for the future and put the targets and the aggregate amount of reductions.

The **US** in response to Egypt said that some Parties wanted common rules while others may not. The US said that it was not a Party to the Kyoto Protocol and that is not the basis to move forward.

On the issue of offsets, **Bolivia** said that it is not just about double counting. If Parties were going to raise the level of ambition on emission reductions, with more market-mechanisms, the developing countries will be expected to do more. Developing countries are already doing more and those who are historically responsible for the emissions are not doing enough and this is unbalanced. It stressed that the discussions on emission reductions should be taking place under the Kyoto Protocol track and there should not be the merging of the two tracks (under the Convention and the Kyoto Protocol).

Ethiopia stressed the need for comparability of efforts among developed countries so that Parties could say how they were approaching the commitments undertaken to limit temperature rise to 2 degrees or 1.5 degrees C.

Tumultuous Start to Bangkok Climate Talks

Bangkok, 6 April (Meena Raman) – It was a tumultuous start to the Bangkok climate talks which officially opened on the afternoon of 5 April with a stark challenge by developing countries to developed countries to show their political commitment on whether or not there would be a second commitment period of the Kyoto Protocol (KP) for greenhouse gas emission reductions.

(The first commitment period of the KP that sets the emission reduction targets for Annex 1 – developed countries – expires in 2012.)

The challenge was first put by Tuvalu and was echoed by several developing country groupings at the opening plenary of the 16th session of the Ad-hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP).

Tuvalu said that there was a need to unlock the political commitment to the KP and its second commitment period and called on Parties who wished to continue with the KP to stand up and say so, or leave the room.

The need for a political decision now in Bangkok on the KP was supported by Gambia for the Least Developed Countries (LDCs), Grenada for the Alliance of Small Island States (AOSIS), Egypt for 22 countries in the Arab Group, the African Group, the Philippines, China, Bolivia and Saudi Arabia.

The **Group of 77 and China** led by Ambassador Jorge Arguello of Argentina made a strong statement that the adoption of the second commitment period of the KP was key for Durban (where the next Conference of Parties would be held) and this was not only a political imperative but a legal obligation that must be met.

Many developing countries also stressed that there was no point in going round in circles in the AWG-KP negotiations on technical issues and numbers as it was time for a political decision now on the KP.

The Philippines said that the corridor talk was that the KP was “in an intensive care unit and that instead of being given life-giving oxygen, the KP’s respirators are connected to a tank of carbon-dioxide”.

Many developing countries also said that if there was not going to be any movement in the AWG-KP for the second commitment period, there was little point in having negotiations under the other parallel track of the Ad-hoc Working Group on Long-term Cooperative Action (AWG-LCA) under the UN Framework Convention on Climate Change.

(The Kyoto Protocol is a treaty under the UNFCCC designed to implement legally binding emission reduction commitments of developed countries listed in Annex 1 of the UNFCCC.)

Egypt for the **Arab Group** said that agreeing on the second commitment period of the KP was *sine qua non* for agreement under the AWG-LCA, while taking into account the separation of the two tracks. This was echoed by the **African Group** that said that reaching an agreement on the second commitment period is crucial to reaching agreement in the AWGLCA track.

Chair of the AWG-KP, Mr. Adrian Macey of New Zealand, proposed the establishment of a contact group to discuss matters further, which was agreed to by Parties and this group would meet today (6 April).

AWG-LCA meeting agenda disputed

At the opening plenary of the AWG-LCA which commenced at 8.30 pm on Tuesday after a delay of two hours, there was no agreement on the adoption of the agenda for the Working Group’s 14th session in Bangkok.

The Chair of the AWG-LCA, Mr. Daniel Reifsnnyder of the United States, said that a provisional agenda for the session was structured according to the Cancun decision and that following

that, the Secretariat had requests from Parties for additional items to be added which were agreed to by the Chair. The requests had come from the African Group, Saudi Arabia, LDCs, AOSIS, New Zealand and the EU.

The Chair informed Parties that the G77 and China had submitted a new draft agenda for the consideration of Parties.

Ambassador Arguello presented the submission by the Group and said that it was structured to be inclusive of the Bali Action Plan building blocks and was carefully balanced to address the concerns of the Group. He stressed that the agenda addressed the issues from the Cancun decision as well as issues from the Bali Action Plan that have remained open and was a proposal in good faith.

Developed countries did not support the G77 and China proposal, with many saying that it did not reflect the balance needed to move forward from the Cancun decision. While some countries such as the US, Australia, New Zealand, Russia and Switzerland supported the agenda proposed by the Chair of the AWG-LCA, other developed countries including the EU and Norway were willing to consider alternative proposals.

The AWG-LCA will reconvene this afternoon (6 April) to consider if Parties can agree on a way forward on the agenda.

“Mixed reactions” to Cancun outcomes

At the opening ceremony of the Bangkok climate talks which preceded the plenaries of the working groups, Mr. Suwit Khunkitti, the Thai Minister of Natural Resources and Environment, said that the outcomes from Cancun had drawn mixed reactions.

He said that many have expressed that the global community may have saved the multilateral system but that was not enough to save the planet from global warming or in helping the poor to address the challenges of climate change.

He stressed that the road to Durban must ensure that the Cancun shortcomings are addressed in relation to mitigation and adaptation as well as in delivering on the promises of finance and technology transfer.

The Minister said that it was a great importance to respect the Bali Roadmap, recognising the mandates of the Bali Action Plan and the AWG-KP. He said that developed countries must take the lead in taking deep cuts in emission deductions consistent with what science and equity demand and hoped to see agreement reached in Durban on the second commitment period of the KP.

He stressed that the KP is a legally-binding treaty on mitigation and Parties must not unravel legally-binding commitments with voluntary pledges to limit global temperature rise to less than 2 degrees centigrade.

Ms. Christiana Figueres, the Executive Secretary of the UNFCCC, in her opening statement said that many Parties want targets for Annex 1 Parties to be inscribed in an amendment to the Kyoto Protocol, while others have stated that they will not participate in a second commitment period.

She said that it is essential that Parties find a way forward on this issue, which is particularly pressing given the growing possibility of a gap after 2012 (when the first commitment period ends).

Figueres added that the full implementation of the Cancun Agreements can only become an important step forward for the climate if there is a responsible and clear way ahead on the Kyoto Protocol.

Ms. Noeleen Heyzer, the Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific (ESCAP), said that Parties were meeting at a time when climate change is no longer a distant threat but a reality for people in the Asia Pacific region. She said that there was a need for a new sense of urgency and responsibility to protect the planet, people and the economy and to prepare for the economy of the future.

Heyzer said that ESCAP has been promoting the concept of inclusive sustainable development for countries of the region. She also said that ESCAP has set up a regional trust fund for disasters, which is for financing disaster preparedness, early-warning systems and for building resilience. The Fund is to dedicate resources for people-centred disasters especially for LDCs, land-locked and sea-locked countries. ESCAP has also brought 30 agencies for rapid response to climate-related and other disasters. It also helped in damage and loss assessments by and with other UN partners.

The official opening of the Bangkok climate talks that are being held in the ESCAP premises was preceded by 3 pre-sessional workshops from 3 to 5 April. These workshops were on the assumptions and conditions related to the targets of developed countries; on nationally appropriate mitigation actions submitted by developing countries and their underlying assumptions and support needed; and on the Technology Mechanism to be set up following a Cancun decision.

Details of the workshop on the developed country targets have been carried in previous articles (see TWN Bangkok News Updates # 1 to 3) and further articles on the other workshops as well as the opening plenary of the AWG-KP are forthcoming.

Developing Countries Taking Mitigation Actions Despite Lack of Support

Bangkok, 6 April (Lim Li Lin) – Many developing countries are taking voluntary national mitigation efforts to tackle climate change in the face of difficulties and lack of international financial and technology support by developed countries.

The second day of the UN climate change talks being held in Bangkok heard a wide array of developing countries present their mitigation actions in a pre-session workshop on developing country mitigation actions on Monday, 5 April. The workshop heard presentations from the following countries: Mexico, China, Ghana, India, the Republic of Korea, Peru, St. Lucia on behalf of the Alliance of Small Island States (AOSIS), Singapore, South Africa, Australia, the Marshall Islands, Bangladesh and Brazil.

This followed the previous day's workshop on developed countries' mitigation targets. The workshop was organised in accordance with the decision of the 16th meeting of the Conference of the Parties (COP) in Cancun, to "understand the diversity of mitigation actions submitted, underlying assumptions and any support needed for the implementation of these actions, noting different national circumstances and the respective capabilities of developing country Parties".

The Cancun COP 16 decision had also taken note of "nationally appropriate mitigation actions to be implemented by Parties not included in Annex I to the (UN Framework Convention on Climate Change) as communicated by them and contained in document FCCC/AWGLCA/2011/INF.1". Forty-eight developing countries had submitted nationally appropriate mitigation actions (NAMAs) after COP 15 in Copenhagen, and these have now been compiled in the document.

Mexico presented its short-term, long-term, mandatory and aspirational goals. It said that its first national planning document contains a few phases.

Phase one is a unilateral set of NAMAs financed by Mexico, during the period 2009 to 2012. These are nationally binding commitments to reduce 51 megatons of carbon dioxide equivalent (CO₂eq) by 2012. Phase two is during the period 2012 to 2030, which is a medium-term aspirational goal with a long-term vision of reaching 20% emission reductions from the baseline. In December 2009 in Copenhagen, the Mexican President announced that Mexico could move forward to reduce its emission by up to 30% by 2030. It also has an aspirational goal of reducing emission by up to 50% from a base year (2000) by 2050 as its third phase.

Mexico said that the 2030 and 2050 aspirational goals are conditional upon finance, technology transfer, and keeping sustained economic growth. It said that the 2nd and 3rd phases should include unilateral NAMAs and international financial assistance for supported NAMAs and through the crediting mechanism.

For its short-term goal, it said that in 2010, 43% has been achieved. It said that Mexico is in the process of developing a low emissions development strategy. The medium-term goals for 2020 and 2030 are in a legal document that has already been put in place. It also highlighted some potential NAMAs and its measurable, reportable and verifiable (MRV) scheme.

China said that NAMAs are in the context of the Bali Action Plan (BAP) and in accordance with common but differentiated responsibilities. It said that NAMAs are coordinated with sustainable development and poverty eradication goals, and based on national circumstances, priorities and strategies for sustainable development. They are distinct from Annex I mitigation in magnitude and legal nature, as NAMAs are voluntary, and Annex I quantified emission limitation and reduction objectives (QELROs) are legally binding.

Implementation of NAMAs is subject to and conditional on new and additional finance, technology transfer and capacity building by developed countries, it said.

It explained that China's autonomous domestic mitigation action has three pillars: i) in terms of intensity, to lower its CO₂ emissions per unit of GDP by 40-45% by 2020, using 2005 as base year; ii) to increase the share of non-fossil fuels in primary energy consumption to around 15% by 2020. It is now around 8%; iii) to enhance forestry management, as sinks. Forest coverage will be increased by 40 million hectares, and forest stock volume by 1.3 million cubic metres by 2020 from 2005 levels. It said that China is still a developing country in a rapid stage of industrialisation and urbanisation, facing the challenge of economic development. It is ranked 100 in the world in terms of per capita GDP, and according to the UN, 150 million people in China are still impoverished.

China described its actions and policy instruments and achievements. These include standards and regulations, pricing policies, subsidies and incentives, and a pilot programme on low carbon provinces and cities. It said that its energy intensity has improved by 19.1%, and energy saving by 630 megatons of carbon dioxide equivalent, thus reducing emissions by 1.4 billion tons CO₂eq. There is now a new five-year action plan (2011-2015), it said.

Ghana said that it had submitted a list of 55 NAMAs after Copenhagen. Policy briefs have been prepared, and further analytical work is ongoing which will culminate in five priorities for NAMAs. It said that a NAMA plan is being developed, and also highlighted other potential NAMAs in Ghana. It stressed the importance of greenhouse gas (GHG) inventories, and a national MRV system that would be consistent with international guidelines. It said that it was open to technical and financial support for the preparation and implementation of its NAMAs, and was developing a low carbon growth path.

India said that the context of its voluntary mitigation action was the BAP. India will endeavour to reduce the emissions intensity of its GDP by 20-25% by 2020 based on 2005 levels. This excludes agriculture emissions, which are not increasing. Based on this, India's emissions are likely to be 2.6 tons per capita in 2020, which is low compared to the 2005 global average of 4.4 tons per capita, and Annex I average of 12 tons per capita. It said that reducing emissions intensity is difficult for India as it has a massive development imperative to lift 470 million people out of poverty, build homes, roads and other infrastructure.

Despite India's rising efficiency, it said that its overall energy needs for development are growing, and energy intensiveness is increasing slightly. However, past emission intensity trends are not indicative of future business as usual (BAU) national emissions trend. Per unit of GDP, India's energy intensity is equivalent to the EU's, it said.

It also highlighted some specific actions planned and underway in India, showing that the estimated benefit of four NAMAs could yield 275 Mt of CO₂ reductions by 2020, and would cost \$19 billion per year. It said that the incremental costs of these NAMAs should be financed by Annex I countries.

Indonesia also explained from the floor its national emission reduction target, which is for 26% reductions through domestically supported NAMAs, an additional 15% reduction through internationally supported NAMAs, and beyond this 41%, it could do more through the market.

In response to some questions, Mexico said that it was difficult to build a credible baseline, and this had to be reviewed periodically.

China said that it is difficult to translate its emissions intensity target into a deviation from BAU, as what would be the correct BAU? It also clarified that NAMAs should not be used as offsets, and that it also had a national programme on non-CO₂ global warming gases and agents.

South Korea explained its national strategy for low carbon green growth, as a voluntary mitigation action. It has a five-year implementation plan, with three objectives: i) mitigation of climate change and energy independence; ii) creating new engines for economic growth; iii) improvement of quality of life and enhanced international cooperation; and ten policy directions. It said that it has an energy-intensive economic structure, with 84.7% of GHG emissions coming from the energy sector in 2007, and the majority of those emissions were from power generation and industry.

Its voluntary mitigation goal is 30% reductions from BAU by 2020. It explained the assumption used to define this goal, and the process by which this was determined. It also explained its efforts to support this mitigation goal. South Korea highlighted its 'GHG Emissions & Energy Target Management Scheme' and its efforts towards global cooperation.

Peru said that deforestation in the Amazon is the main source of its emissions; in 2020 this amounted to 47%. Energy consumption accounts for 21%, agriculture for 19%, industry for 7%, and solid waste for 6%. Its voluntary mitigation targets for 2021 are for zero net emissions in the LULUCF (land use, land use change and forestry) sector, energy

matrix with up to 40% from renewable sources which could yield about 28% reduction on 2000 levels (or 7 Mts of CO₂eq) and the reduction of emissions from urban solid waste disposal, which could yield 7 Mts of CO₂eq. It identified its socioeconomic context, the quantification of emissions and removals, in-country institutional arrangements, NAMA definition, external support and cost calculation as challenges.

St Lucia, presenting on behalf of AOSIS, stressed on the fact that the impacts of climate change are accelerating, and that there will be a global emissions gap of 5-9 Gt CO₂eq per year in 2020 if the Cancun mitigation pledges are implemented. The costs of closing this gap are manageable, at about 0.4% of GDP in 2020. It said that developing country action is essential to close the gap and achieve the goal of limiting temperature increase to 2 or 1.5 degrees Celsius. It also stressed that sufficient, predictable and reliable support is needed to realise further mitigation potential on the scale required to achieve these global goals.

It said that the small island developing states (SIDS) are prepared to contribute and expect larger countries to do their part. It highlighted some NAMAs being undertaken by some SIDS, and identified financial and technical support for NAMA preparation, institutional structures, local and regional capacity for planning and implementation and MRV reporting requirements as challenges.

St Lucia said that the consistent communication of NAMAs requires: i) quantification of emission reductions in 2020 (compared to BAU and current emissions, and should be clearly divided into domestic and supported actions); ii) transparency of assumptions (related to BAU and on scale/type of support required); iii) transparency of methodologies used for calculation; iv) transparency on LULUCF rules applied.

It also said that the registry should be developed as soon as possible and that there should be guidelines developed that are as simple as possible, transparent, enable tracking of global progress, and allow for flexibility for least developed countries (LDCs) and SIDS. The outcomes from the workshops should feed into, and not take away time from the formal process, it said.

The EU later supported the AOSIS proposal for this methodology, which it hoped would be reflected in the written report and taken forward for further work in the formal process. It also expressed that it is necessary to know what quantified emissions will be in 2020, in order to understand the size of the gap. Australia also later suggested that the AOSIS proposal could be useful in the next workshop.

Singapore argued that it had specific national circumstances, as it is a small low-lying city state and is highly fossil fuel dependent. It said that it provides no fuel subsidies, and has been “clean and green” from the beginning. Its mitigation pledge is to undertake mitigation measures leading to a reduction of GHG emissions of 16% below BAU in 2020, contingent on there being a legally binding global agreement in which all countries implement their commitments in good faith. It said that it has already started work that will lead to 7-11% reductions of GHG emissions below BAU levels in 2020, as part of its 16% pledge. Additional measures to achieve its full 16% pledge will be implemented when a legally binding agreement is reached, it said.

It said that all its mitigation actions will be domestically funded, and it highlighted its key strategies and what it is doing to build capabilities.

In response to some questions, Singapore said that the determination of BAU was quite challenging to define.

South Africa said that its pledge is a 34% deviation below the BAU emissions growth trajectory by 2020, and 42% deviation below the BAU emissions growth trajectory by 2025. It said that this is subject to certainty that others will also act and provide support through an ambitious, fair, effective and legally binding multilateral agreement under the UNFCCC and its Kyoto Protocol, and by delivering finance, technology and capacity-building support through the comprehensive multilateral legally binding agreement. Support will enable South Africa’s GHG emissions to peak between 2020 and 2025, plateau for approximately a decade and decline in absolute terms thereafter, it said.

It detailed its methodology, data and assumptions and stressed that BAU is not a prediction, but a rigorous, robust projection based on the best available data. It said that there is a national process underway on climate policy, legislation, regulation, economic instruments and action plans on a sector-by-sector basis to begin building the foundation for a low carbon society, and outlined a possible set of actions to achieve its pledge.

South Africa said that support to achieve its 34% deviation from BAU is essential and provided an analysis of incremental costs of investments required to support implementation over the period 2010-2050 – for individual NAMAs, this is in the order of \$10s to \$100s of billions and \$ trillions would be required for all its NAMAs to achieve the 34% deviation. It concluded that it was essential to have treaty obligations that deliver support and the MRV of support provided for actions by developing countries.

South Africa later said that the distinction between supported and unsupported NAMAs was unhelpful towards achieving the NAMAs. The extent to which it is able to reach its 34% deviation depends on the support it receives.

Australia was the only developed country to present at the workshop. It said that it was important to lock in the pledges that are on the table, build confidence and increase ambition over time, both for developed countries and developing countries that have capacity and responsibility. It advocated that key priorities for 2011 should be to clarify what targets and actions mean, and develop MRV processes to track efforts. In terms of clarity on targets and actions, it said that it would be helpful to understand what is the baseline and how it is determined, what emissions does the action cover, if an action is conditional, what are the conditions, and how much additional mitigation is possible through international support, including international market mechanisms.

It said that for actions that will happen (because they are funded domestically, or have secured international support), these should be placed in an Annex or Schedule. For actions that can happen with international support, these should be placed in a registry. It later clarified that in the long term, it would like the Annex or Schedule to be in a legally binding agreement, but in the short term it could be attached to a Decision. It said that support could be reported through national communications, in response to a comment that its proposal for an Annex and registry did not include support for mitigation action.

The **United States** expressed interest in the Australian proposal as a way to move forward.

The **Marshall Islands** said that it would undertake NAMAs in order to achieve a 40% reduction in CO₂ emissions below 2009 levels by 2020, based on its 2009 Energy Policy that provides concrete pathways to achieve the NAMAs. It said that this is based on Article 10 of the Kyoto Protocol and Article 4.1 of the Convention. It highlighted the milestones by 2020, and emphasised that progress is already underway. It said that these would depend on international support as it has severe development constraints and faces barriers to participation in the carbon markets. It identified technical and human resource capacity and lack of knowledge of diverse funding streams and access to these funding streams as barriers to implementation of its NAMAs.

Bangladesh said that as an LDC, it is not required to do mitigation, but that LDCs may voluntarily contribute, provided financial and technical support is made available, and their need

for growth, sustainable development and accelerated poverty reduction is not compromised. It outlined some potential sectors for mitigation including in the power sector, transport, agriculture, forestry, waste management, residential/commercial, industry, and renewables. It said that this can only be achieved if support is provided for technological and institutional capacity building, preparation of an integrated energy and efficiency programme and its implementation, and for adequate finance.

Brazil said that it was implementing significant mitigation actions, without conditioning its efforts to the level of mitigation by others. It said that many developed countries have put conditions on their mitigation. It has a national law and plan, which was developed through broad stakeholder participation. Brazil said that what it expects from developed countries is simply what has been agreed internationally – financial and technological support. It is doing what it believes is doable, and its actions have generated opportunities for South-South cooperation. It said that its actions are being taken as a result of national policy, and are effective in generating real mitigation, which places it in a position to expect more from developed countries. It is taking action without counting on the support that has been promised for a long time. With support, it can take much more enhanced actions, it said.

In the general discussion after the workshop presentations and discussion, most countries expressly supported the continuation of such workshops, at further sessions.

Singapore said that it would be useful for future workshops to hear from other developing countries, and that the workshop need not be confined to those countries that have put forward their pledges. This view was also expressed by Australia and the EU.

Tuvalu suggested that the Secretariat's website could be used to receive further information from countries on their NAMA pledges. It noted that there is significant divergence in what a registry is and its role, and this needs discussion. It said that the issue of support and the MRV of support was missing from the discussion, and that apart from Parties, experts should also be invited to share their views.

South Korea said it would be important to distinguish between supported and unsupported NAMAs, and that the registry can accommodate both. It said that the \$100 billion annually through the Green Climate Fund is not enough, and this issue should be discussed.

Switzerland suggested that proposals for questions to provide guidance to the workshop could be submitted.

The EU said that the next workshop should be framed in advance. It suggested that the next workshop should focus on baselines, assumptions and the difference between supported and unsupported NAMAs.

Australia said that BAU was difficult to calculate or formulate, and further workshops could focus on this issue. This was supported by the EU and Mexico. Australia also suggested that the AOSIS questions could be useful in the next round.

The US said that it was not looking for harmonisation, but to understand the assumptions behind the mitigation actions. It said that it would be useful to understand in a more thematic context, the issues that countries face, the methodologies that countries are using, and what kind of policies, costs, and approaches countries are using.

Egypt pointed out that the workshops mandated by paragraph 51 of the Cancun COP outcome are in order to understand the diversity of mitigation actions, assumptions, and support needed, and that it was not possible to focus on BAU as it is not in the mandate of the workshop. It asked whether it would be possible, necessary or feasible to focus on BAU in light of different national circumstances. It said that the purpose of the workshop, unlike the workshop on developed countries' mitigation, is not to increase the level of ambition, but to understand the support needed by developing countries. It said that non-Annex I countries should be encouraged to come out with NAMAs, and should not be scared away. Implementation of NAMAs can be increased, through understanding the support required.

Brazil suggested that the issue of offsets, and LULUCF required clarification, and the effect on the (Annex I Parties) pledges of their transformation into QELROs. It said that the workshops should not focus on elements that have not been focused on by all countries, as there had been great diversity heard on NAMAs, and there is no comparability to be established.

Pakistan said that the purpose of the workshop was to understand conditions and assumptions and

support required, and the workshops should be restricted to their mandate and should not steer towards defining BAU and comparability.

India agreed that the context and purpose of the workshops should be kept in mind.

At the start of the workshop, Cape Verde expressed its profound unhappiness over the fact that the workshops were only conducted in English, which meant that it was not possible for all to participate fully. It said that the workshops should be for everybody, and translations should be provided in all UN languages.

The Executive Secretary, Christiana Figueres, responded saying that there was no funding for translations for the workshops, as they are not part of the official process. She said that the oral reports of the workshops would be heard at the plenary of the AWG-LCA (Ad hoc Working Group on Long-term Cooperative Action under the Convention) where there would be translation, the written reports would be translated into all six UN languages, and that she would approach donors for funding for further workshops.

The issue of which bodies the workshop reports should be forwarded to was also debated. Brazil said that the workshop held the day before on developed countries' mitigation targets was relevant for the AWG-LCA, the Subsidiary Body for Implementation (SBI) and the Ad hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), and that the workshop today was relevant to the AWG-LCA and SBI, and should be forwarded to these bodies.

In response to the co-facilitator's reply that he would convey Brazil's proposal to the Chair of the AWG-LCA, Brazil said that it was the decision of the Parties where to direct the results, and they did not have to wait for the decision of the Chair.

The US said that it was content to have the workshop proceedings forwarded just to the AWG-LCA. In the end, Brazil said that it would take up this issue in the AWG-LCA itself, as that was the proper forum for the decision to be taken.

Uncertainty over Direction of Bangkok Climate Talks

Bangkok, 7 April (Meena Raman) – Uncertainty reigned over the direction of the Bangkok climate talks in the two working groups of the Ad-hoc Working Group on Long-term Cooperative Action (AWG-LCA) under the United Nations Framework Convention on Climate Change (UNFCCC) and the Ad-hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP).

A crisis-like atmosphere pervaded the corridors as delegates were in informal discussions to figure out how work should proceed not only in the remaining negotiating days in Bangkok (which ends on Friday, 8 April) but also for further negotiating sessions on the road to Durban. It was heard that there were intense discussions on the AWG-LCA agenda in a packed conference hall in the afternoon of 7 April that were closed to observers.

No agreement was reached under the AWG-LCA on an agenda for the current session.

Meanwhile, at the AWG-KP, discussions were underway on how to enable a process to seek the political clarity needed on whether developed countries were committed to the continuity of the Kyoto Protocol, including in making commitments for the second commitment period of emission reductions without placing any conditions, as well as in determining the scale of their ambition in terms of the aggregate target for emission reductions. (The first commitment period ends in 2012.)

Several options for seeking the political clarity needed were proposed, including through the convening of a Ministerial level meeting well before Durban.

Informal consultations were held in the afternoon and it was unclear if any agreement was reached.

AWG-LCA

An informal meeting was held under the AWG-LCA to consider whether an agreement could be reached on the agenda for the 14th session of the Working Group in Bangkok, following a submission by the Group of 77 and China of a new draft agenda for the consideration of Parties, in place of the provisional agenda proposed by the Chair of the AWG-LCA.

On Tuesday, 5 April, Ambassador Jorge Arguello of Argentina presented the submission by the Group and said that it was structured to be inclusive of the Bali Action Plan building blocks and was carefully balanced to address the concerns of the Group, which also allowed Parties to address issues from the Cancun decision as well as issues under the Bali Action Plan.

It was learnt that as various options were being considered on the basis of the G77 and China proposal, the United States opposed the G77 and China proposal which led the Chair of the AWG-LCA, Mr. Daniel Reifsnyder of the United States, to propose that he could prepare a paper which had a status less than a non-paper for the consideration of Parties.

This proposal by the Chair was opposed by Venezuela objecting to the Chair having any role in drafting anything and for Parties having to negotiate with the Chair. It was of the view that this was a matter for Parties to settle. According to sources, the Venezuelan position was supported by many developing countries.

From interventions at the opening plenary of the AWG-LCA on Tuesday, some developed countries especially the US and Russia viewed the G77 and China proposal as “going backwards” by

focusing on the Bali Action Plan and reflected a questioning of the Cancun decision.

As reflected by developing countries at the opening plenary, there was a perception among several developed countries in relation to the agenda that Cancun resolved all the issues and all that remained was a work programme to implement the Cancun decision. On the other hand, developing countries were of the view that the Cancun outcome was one step of the process from the Bali Action Plan and did not resolve all the issues.

Hence the need for an agenda and work programme that was consistent with the Bali Action Plan mandate for an outcome that enabled “the full, effective and sustained implementation of the Convention”.

It was not clear how matters would now proceed.

The G77 and China proposal has been issued as a conference room paper and included the following items on the agenda:

“3. *Preparation of an outcome to be presented to the Conference of the Parties for adoption at its seventeenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012.*

3.1. *A Shared Vision for long-term cooperative action*

3.2. *Mitigation*

3.2.1 *Mitigation commitments or actions by developed country Parties*

3.2.2. *Nationally appropriate mitigation actions by developing country Parties*

3.2.3. *Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries*

3.2.4. *Cooperative sectoral approaches and sector-specific actions, in order to enhance the implementation of article 4. 1. c of the Convention.*

3.2.5. *Various approaches to enhance cost effectiveness of mitigation actions*

3.2.6. *Economic and social consequences of response measures*

3.3. *Enhanced action on adaptation*

3.4. *Enhanced action on technology development and transfer*

3.5. *Capacity-building*

3.6. *Enhanced action on the provision of financial resources and investment*

4. *Review: further definition of its scope and development of its modalities*

5. *Legal options for an agreed outcome consistent with the continued mandate of the*

6. *Work programme*

7. *Other matters”*

AWG-KP

Meanwhile, the AWG-KP held its first contact group meeting on Wednesday, 6 April for the consideration of further commitments for Annex 1 Parties under the Kyoto Protocol (KP).

Mr. Adrian Macey of New Zealand, the Chair of the AWG-KP, said the meeting provided an opportunity to deal with the “political issues” relating to the KP. Developing countries, at the opening plenary of the AWG-KP on 5 April, wanted developed countries to state clearly whether they were committed to the continuation of the KP and in making commitments under the second commitment period post-2012.

Several developing countries said that Parties had been going round and round in circles and discussed *ad infinitum* the technical issues for years and that the time now was best spent to express the political commitment of the Annex 1 Parties on their commitments. Several options were being proposed on a way forward, including through the convening of a Ministerial level meeting well before Durban to seek the political clarity needed.

Tuvalu said that Parties have been going around in circles and need to step back a little and reflect on the commitment to the KP. The AWG-KP was established in 2005 with the aim of completing its work and have results adopted at the meeting of Parties as early as possible and in time to ensure that there is no gap between the first and second commitment periods of the KP and should be the focus of the discussions. There was a need for political commitment for this and to ensure there is no gap. This was not a technical issue but a political one and once the political intent was established, the technical issues will fall into place.

Tuvalu proposed the establishment of a process for Parties to put on paper their intent on the KP and without that, there was no point in going forward in other processes. It said that the developed countries were playing “a wait and see” game as some Parties wanted to see the outcome of the KP process contingent on the outcome of the AWG-LCA.

In response to developed countries insisting that the rules [relating to land-use, land use change and forestry (LULUCF), emissions trading and flexibility mechanisms, methodological issues etc.] needed to be clear before commitments on targets can be made, Tuvalu said that these discussions have

been held before and Parties have looked at the written rules that currently exist under the KP.

It was concerned that new unwritten rules were being imposed which have nothing to do with the KP rules, such as all major economies having to be part of a comprehensive agreement before there can be a second commitment period under the KP. This included the EU commitment for a second commitment period, which was subject to “part of a wider outcome including a global and comprehensive framework involving all major economies”. Referring to the analogy of football (soccer) games being played in the two tracks, it appeared that results of the game under the AWG-KP depended on results in the AWG-LCA game and this was “match-fixing”. Tuvalu stressed it was vital for the “KP game” to be resolved first. There should be no rules or conditionality and this should be decided first before the procedural rules, it said.

The sentiments of Tuvalu were shared by several developing countries, including the Least Developed Countries group (LDCs), Brazil, St. Lucia, China, the Marshall Islands, Bolivia, Bangladesh, Sudan, Saudi Arabia, Egypt, Thailand and Timor Leste.

Bolivia said that it was a political decision if Annex 1 Parties were going to comply with the obligations for the second commitment period. On the issue of numbers, Bolivia said that if a 2 degree C (temperature rise) is to be met, then globally, by 2020, the emissions reduction should be 14 Gt of CO₂. Figures are showing that given the pledges of countries, both developed and developing, reductions efforts are in the range of 6.6 to 8.5 GtCO₂ and there is a big gap, which will lead to a 4 degree C scenario which is catastrophic. Developed countries are saying that they are not willing to make stronger commitments if emerging countries do not do their share.

Bolivia said that current figures show that developing countries are already making greater efforts in emission reductions than the Annex 1 countries. The argument that they have to wait and see what emerging economies are doing first has no standing and developed countries are doing very badly on their numbers (regarding their emission reduction pledges). Bolivia said that the developed country pledges are shameless and it was concerned that rules were being transformed to increase the loopholes and allow for even lower ambition levels. So the rules have to be strong to achieve the greatest emission reductions and not less. A technical discussion on the rules should not be about the weakening of the emission reductions.

It asked what if there was no second commitment period under the KP in Durban, was there going to be a stronger agreement that will allow greater emission reductions? It said that if there was no second commitment period in Durban, there would be nothing but only national voluntary pledges and not an international agreement.

St. Lucia said that the issues that are technical have political elements embedded in them. However, in the hierarchy of the political issues, the second commitment period is key, as well as the aggregate scale of ambition for emission reductions by Annex 1 Parties. It asked if the scale of the ambition and the issue of the rules are being discussed in the context of the KP or not. The technical rules are dictated by the scale of the ambition and this was a political issue.

Brazil agreed with Bolivia and St. Lucia and said that rules are needed for the environmental integrity of the commitments and not for the watering down of them. In that sense, everything is political but more than that, it was an economic issue. It said that developed countries were worried about the cost and it was this that was in the minds of the developed countries.

China said that it was confused by the interventions of developed countries whose positions on the second commitment period remain unchanged despite the Cancun outcome. At Cancun, a compromise had been reached that is the basis for moving forward. The Cancun decision is clear on the second commitment period and that there should be no gap between the first and second commitment periods. It is clear also on the need to enhance the ambition levels of Annex 1 Parties. On the KP obligation being conditional, China said that this was wrong and was against the Convention and the KP. It asked Parties not to waste time and make clear their political will.

It said that some Parties say that they are committed to the KP but not the second commitment period. This has no meaning, said China. It said the issue of political commitment is first and the technical issue is second and that the numbers and rules are very important. If there was no political willingness to the second commitment period, it asked if technical rules are necessary.

Saudi Arabia echoed China's sentiments.

Switzerland said that it was committed to implement the Cancun decision which was clear on the need for the second commitment period and the need to avoid the gap between the first and second commitment periods. However, it said that the numbers were important and so were the rules.

New Zealand said that some KP Parties are willing to go into a second commitment period under conditions and that is political. The commitments that Parties make are underpinned by clear rules and the choice of the rules determines the ambition level.

Australia agreed with New Zealand and said that the KP has got the political attention and Ministers have given clear messages and there was no need to abandon the work of the AWG-KP. It said that there was a broader context to the work of the AWG-KP (referring to work under the AWG-LCA).

Norway said that it was a firm supporter of the KP. It was willing to move to the second commitment period as part of a balanced outcome.

The **European Union** said that it agreed that the rules are for the purpose of ensuring environmental integrity. In reference to Tuvalu on the issue of the new rules being imposed, it said that it was not about a conditionality for making its commitments but it was about reaching the overarching objective of the Convention which was an old rule and not new.

In relation to St. Lucia's intervention, the EU said that it was working in the context of the KP and wanted the rules to ensure an environmentally sound

result. Given the experience of developing the rules under the KP in Marrakech, it did not want to work in two shifts, with the numbers being set first before the rules as they must go together.

Referring to the US walking away from the KP, the EU did not want others to walk away too. It said that the issue of numbers and ambition were being confused as a number could be big (referring to targets) but if the rules are not right, the ambition level could be low.

Chair of the AWG-KP Adrian Macey said that it was clear that there was a need for clarity of the political stance of countries on the second commitment period and on the rules; an acknowledgement on the relation between rules and numbers and the comparability of mitigation commitments.

He said there was a need for further clarity on how the rest of week was to be used and if spin-off groups (to discuss various issues) were needed and suggested convening an informal session. Brazil, for the G77 and China, said that the group members needed to consult among themselves further while St. Lucia said that there was value in consulting whether to have an informal session or not.

Developing Countries Demand Political Commitment to the Kyoto Protocol

Bangkok, 7 April (Lim Li Lin) – Developing countries reiterated their strong united challenge to developed countries to confirm the latter's legal commitment to the Kyoto Protocol and to agree, as a matter of priority, to a second commitment period to reduce greenhouse gas emissions beyond 2012.

At the opening session of the negotiations in the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP) on Tuesday evening (5 April), an intense discussion on the future of the Kyoto Protocol and its second commitment period was initiated by Tuvalu. This led to strong views expressed by developing countries over the importance of the continuation of the Kyoto Protocol, in the face of the clear intention of some developed countries to terminate the Kyoto Protocol. As Saudi Arabia put it, "To KP or not to KP? That is not the question."

The discussion emerged over the agenda of the AWG-KP for this session in Bangkok, which contains only one substantive issue "Consideration of further commitments for Annex I Parties under the Kyoto Protocol". Tuvalu proposed instead that it should be "Ensuring that there is no gap between the first and second commitment period".

Since the first commitment period ends at the end of 2012, the meeting of the Parties to the Protocol (CMP 7) in December 2011 in Durban is the last CMP that offers any chance for the AWG-KP to fulfil its mandate, and ensure that there is no gap between the first and second commitment periods.

The mandate of the AWG-KP adopted in Decision 1/CMP.1 specifies that the AWG-KP "shall aim to complete its work and have its results adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as early as possible and in time to ensure that there is no gap between the first and second commitment periods".

Even so, just one year for the amendment to be ratified by Parties and enter into force is unlikely to be sufficient, and provision will have to be made for other measures such as provisional entry into force requirements.

Tuvalu said that there has been extensive discussion under the AWG-KP since it was established, considering items in small break-out groups. It said that the discussion has been going round in circles and not making progress. There is no guarantee that the Kyoto Protocol will continue, and the process should be reconsidered to ensure a proper outcome. It suggested re-thinking agenda item 3 'Consideration of further commitments for Annex I Parties under the Kyoto Protocol'. The crucial aspect is to ensure that there is no gap between the commitment periods, it said, and the group (AWG-KP) should focus its efforts on this.

Tuvalu suggested that those Parties who wish the Kyoto Protocol to continue should make that commitment at this meeting, and stand up and say "yes". Those Parties that do not wish the Kyoto Protocol to continue should be quietly and politely asked to leave the room so that the group can have a focused discussion, it said.

Tuvalu said that it may be perceived to be trying to block progress, but it is trying to precipitate progress urgently. We want commitment, we want Parties to commit, and we do not want to go off into little rooms (for technical negotiations) without certainty that the Kyoto Protocol will continue, it said. We need that assurance, many in the private sector need that assurance, and citizens of the world need that assurance, it said.

Gambia on behalf of the **least developed countries (LDCs)** and **Bolivia** spoke up to support Tuvalu.

However, the Chair, Adrian Macey from New Zealand, gavelled through the adoption of the agenda, and the organisation of work.

The need for a political decision on the future of the Kyoto Protocol was also supported by many developing countries including the **Alliance of Small Island States (AOSIS)**, the **Arab Group**, the **African Group**, the **Bolivarian Alliance for the Peoples of Our America (ALBA)**, the **Philippines**, **China**, and **Saudi Arabia**.

Tuvalu later spoke to say that it had requested the floor before the agenda was adopted, and could not support the agenda as it stands. It requested that this be reflected in the record of the meeting. It said that it had also requested the floor before the organisation of work was adopted.

It said that many groups including the Arab Group, LDCs and ALBA had expressed support for the view that the way the work of the group is proceeding is not appropriate. It reiterated that firm political commitment to the Kyoto Protocol is required before the technical discussion, and that there should be just one substantive agenda item – ‘Ensuring that there is no gap between the first and second commitment period’.

Tuvalu said that one group (of Parties) is saying that the outcome of the AWG-KP is contingent on the outcome of the AWG-LCA. It is too polite to say that this is being held hostage. The mandate of the AWG-KP was agreed well ahead of the AWG-LCA’s. The two groups have separate legal mandates and legal outcomes, and the outcome of the AWG-KP cannot be held contingent on the outcome of the AWG-LCA, it said. The final outcome of the AWG-KP must be adopted in Durban, and it wants to work towards that end. It asked for reconsideration of the agenda and the organisation of work to only consider the political commitment to the second commitment period.

The Chair said that there will be opportunity to address these issues when the time comes to discuss how agenda item 3 will be taken up. **Saudi Arabia, India, the Philippines, China and Palestine** spoke up to support the importance of agreeing on the second commitment period in Durban, and on the need for a political decision on the future of the Kyoto Protocol.

The Chair then proposed the establishment of a contact group on item 3 of the agenda. He said that the logic is to create the opportunity to address in one place and at the appropriate level, the issues that are holding up negotiations. He was suggesting an innovation in the usual practice, in the hope that it goes some way in responding to concerns by Parties, as it has been clear that major political issues that

the AWG-KP has to deal with cannot be left aside this year. Political decisions are needed to unlock the technical details, and we are grappling with a considerable amount of detail, he said.

The Chair suggested taking into account the Cancun decisions, to see what implications they have for the AWG-KP and to see how they help us achieve progress. He had listed a few such issues in his scenario note. He said that spin-off groups can be formed, and their work will benefit from the contact group discussion.

On legal issues, he said that he will make a proposal in the contact group as to how to proceed on that question.

Tuvalu responded to say that it supported the Chair’s proposal to form a contact group, but had a different perspective on its content. It referred to the Chair’s statement about “unlock(ing) the technical details”. Tuvalu said that we must unlock the political commitment to the second commitment period, and there is little point in technical work in spin-off groups without political commitment. Some say that technical work in the AWG-KP will aid the work in the AWG-LCA, it said, but that it did not agree as we are here in the AWG-KP with a distinct mandate. There is only one issue – unlocking the political commitment, not the technical issues that we have discussed *ad infinitum* since the mandate of the AWG-KP was agreed to in Montreal in 2005, Tuvalu said.

With that, it was agreed that the contact group was established, and the Chair announced that he would issue a list of questions to facilitate discussions.

The opening session of the AWG-KP also heard opening statements by countries and country groupings including from the G77 and China, the Africa Group, the European Union, LDCs, the Umbrella Group, the Environmental Integrity Group, the Coalition for Rainforest Nations, ALBA, the Arab Group, Central American countries, Mexico and Japan.

Argentina, speaking for the **G77 and China**, said that the Group expects a high level of ambition from developed countries which means defining ambitious quantified emission reductions in the second commitment period of the Kyoto Protocol that will provide for deep cuts in global greenhouse gas emissions that are required according to science. Historic(al) responsibilities cannot be disregarded, it added.

A gap between the first and second commitment periods would cause adverse impacts to developing countries, creating several practical and legal problems and placing us on a very

dangerous path that surpasses tipping points. It said that a second commitment period is the key cornerstone outcome for success in Durban, and it is not only a political but a legal imperative that must be met.

The Democratic Republic of Congo, speaking on behalf of the **African Group**, said that Africa believes that agreement to a second commitment period under the Kyoto Protocol is the cornerstone of global action on climate change, and confirmed that reaching such an agreement is crucial to reaching agreement in the AWG-LCA. It said that the African Group's expectations for Durban are the adoption of an amendment to Annex B of the Kyoto Protocol for the second commitment period and strengthening of Annex I Party commitments in a manner consistent with keeping global temperature rises to below 2 degrees Celsius above pre-industrial levels.

It said that the Kyoto Protocol is a legally binding international agreement that is binding on its Parties, unless they officially withdraw from it. In this regard, it stressed the importance of legally binding mitigation commitments, a top-down approach to aggregate emission reductions, a mechanism to ensure compliance, and second and subsequent commitment periods.

Grenada, on behalf of the **Alliance of Small Island States (AOSIS)**, said that there needs to be clarity on the second commitment period once and for all, and that the frame of our work must be confirmed as it is not possible to discuss accounting rules in a vacuum. Over 20 years ago, developed countries agreed to take the lead, and the Kyoto Protocol was agreed as a reflection of this leadership. If developed countries do not make clear unambiguous commitments, it is not a matter that just affects the life of the Kyoto Protocol, it is a matter that affects the UN system and what it means to be the international community. Developed countries should not call for comparable efforts by developing countries in response to their own insufficient efforts, and this is shameful, it said.

The urgency of the climate challenge means that we must ratchet up ambition and in the most transparent way possible. Commitments must be internationally binding, at the scale consistent with what the best available science demands – 350 ppm, and well below 1.5 degrees Celsius below pre-industrial levels, it said. The Kyoto Protocol contains all the necessary tools to address the global challenge, as its basic architecture is sound. Grenada said that the range of legal issues raised by the impending end of the first commitment needs to be addressed.

Hungary, on behalf of the **European Union**, maintained its position that emission reductions by

developed countries should be in the range of 25-40% by 2020 below 1990 levels, and reiterated that its own unconditional commitment is 20% and 30% in an international agreement where other developed countries commit comparably and advanced developing countries contribute adequately.

It said that it preferred a single legally binding instrument, but re-confirmed its willingness to consider a second commitment period under the Kyoto Protocol, as part of a wider outcome including the perspective of a global and comprehensive framework, engaging all major economies. There was significant progress in Cancun and the momentum must be maintained to advance robust outcomes under the Kyoto Protocol and the Convention tracks this year. It said that working in isolation under the AWG-KP will not help us achieve the robust and balanced outcomes needed for Durban, and that space for discussing overarching policy questions should be provided.

Gambia, on behalf of the **LDCs**, said that the core mandate of the AWG-KP is to define the second and subsequent commitment periods. It referred to the UNEP Emissions Gap report that states that developed countries' pledges are estimated to result in emission increases of 6% in the worst case, and emission reductions of 16% in the best case, and which also states that the Copenhagen Accord pledges imply a temperature increase of between 2.5 and 5 degrees Celsius before the end of the century. It said that it was necessary to allow the Kyoto Protocol to continue without any gap, and that strong political commitment that the Kyoto Protocol will continue is needed now.

Australia, on behalf of the **Umbrella Group**, reiterated its position for a balanced, comprehensive, global deal and that the Kyoto Protocol discussion takes place in a broader context. Discussion under the AWG-LCA has direct implications, and the work is sequential, it said.

Switzerland, speaking for the **Environmental Integrity Group**, said we should work efficiently to ensure that there is no gap between the commitment periods and that we must focus on the implementation of Cancun agreements and work towards solving political issues, some of which are under the Kyoto Protocol. It said that we should not shy away from political issues under the Kyoto Protocol. Reductions under the Kyoto Protocol will not be sufficient for reaching the ultimate objective of the Convention, and individual and global collective efforts need to be increased, it said.

Venezuela, on behalf of **ALBA**, said that Cancun set a dangerous precedent. Rules should be applied in the same way to all Parties, and all

countries have the same rights. These illegal practices today affect Bolivia, but tomorrow they may affect any of the countries here. Respect for procedures that have been implemented in the UNFCCC is an issue that must be defended by all, it said. We do not consider the results of Cancun as a step forward for the AWG-KP, but rather a step backwards. It is wrong that while developed countries do not make substantive commitments to reduce emissions of greenhouse gases, they continue to enjoy the flexibilities of the Kyoto Protocol and carbon markets that allow them to disguise the breach of their obligations.

It said that we cannot allow moving forward into a weaker structure and less demanding regime, and temperature should be stabilised at between 1 and 1.5 degrees Celsius. Durban should not be the grave of the Kyoto Protocol, it said.

Egypt, on behalf of the **Arab Group**, said that agreeing to a second commitment period under the Kyoto Protocol is a pre-requisite to agreeing to issues under the AWG-LCA. It said that attempts by Annex I Parties to avoid a second commitment period are a breach of their legal obligations. Durban is contingent on dealing with unresolved political issues, and the Kyoto Protocol is the only legal tool available in the global institutions of climate change. It said that saying that the Kyoto Protocol covers only a small percentage of emission is misleading, as we should be strengthening it. Egypt pointed out that the only Annex I Party that has spoken about the second commitment period is the EU.

Saudi Arabia said that we did not apply the consensus rule as we have done in the previous 15 COPs (meetings of the UNFCCC Conference of the

Parties). This is a serious issue that cannot be overlooked. At COP 13 and COP 11, similar situations occurred and the plenary was suspended to accommodate Parties, and hold them off from making official objections. The consensus rule cannot be applied selectively, it said. It feared that only G77 and China countries would remain in the room if those that cannot commit to the Kyoto Protocol leave the room. It said that the time for political decisions had come twice already, in Copenhagen and Cancun, and Durban is the last chance. The future of the multilateral regime is at stake. "To KP or not KP? That is not the question," it concluded.

The **Philippines** said that along the corridors, there are talks of the Kyoto Protocol being in the intensive care unit, and that instead of being given life-giving oxygen, its respirators are connected to a tank of CO₂. It said that some say that we saved the UNFCCC process last year. This year, it is time to save the Kyoto Protocol, and save the climate. This starts with securing the second commitment period for the Kyoto Protocol. We must ensure that there is no gap between the first and the second commitment periods. We must ensure that there is a second commitment period by Durban, and thus successful completion of the work of this working group, it said.

At the suggestion of the G77 and China, it was agreed that the AWG-KP would request the report of the co-facilitators from the workshop on developed country mitigation under the AWG-LCA as an additional input to the AWG-KP.

The subsequent AWG-KP contact group discussion on Wednesday, 6 April is reported in TWN Bangkok News Update #6.

Discussions Ongoing to Chart Way Forward for Climate Talks

Bangkok, 7 April (Meena Raman) – On the eve of the conclusion of the climate talks in Bangkok under the working groups of the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol (KP), discussions were ongoing on how to set the direction for further work from here to the next session in Bonn to be held in June this year.

The Ad-hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP) held its second contact group meeting on Thursday morning (7 April) with discussions centering around what pre-conditions were necessary for the Annex 1 Parties (developed countries) to adopt a second commitment period to reduce greenhouse gas emissions under the KP. The first commitment period will end in 2012.

In the Ad-hoc Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA), discussions were ongoing in an informal meeting, which was closed to observers, to find agreement on an agenda for its current 14th session.

Work under the Convention (AWG-LCA)

It was learnt that prior to the informal plenary of the AWG-LCA, the Chair of the working group, Mr. Daniel Reifsnyder of the United States, met with the G77 and China and its members and presented an alternative agenda to that of the G77 and China which was called “A birthday wish” (as his birthday was on 7 April).

Apparently, the Chair’s alternative agenda was made following a meeting with some Annex 1 Parties. According to some sources, the alternative agenda proposal initially came from New Zealand, which was then “adopted” by the Chair as his own

proposal.

During the meeting with the AWG-LCA Chair, several members of the G77 and China strongly opposed the Chair’s proposed agenda as they viewed this as going against the wishes of Parties when he had no mandate to prepare such an agenda.

When the AWG-LCA informal plenary meeting convened around 8 pm (and ended at midnight), the issue of the Chair’s proposed agenda arose again, to which the Chair responded that it was no longer on the table unless some Parties forwarded the proposal as their own. This led to Australia then “adopting” the proposal as its own.

It was learnt that the G77 and China showed much flexibility by considering various suggestions that came forward, including one by Tuvalu and the Alliance of Small Island States to use the headings of the elements from the Bali Action Plan as contained in the G77 and China proposal and to add two further items under each of the headings. These two items related to (i) items for implementation and (ii) items for further resolution without a listing of specific issues.

The EU had proposed that instead of using the headings as contained in the G77 and China proposal, the headings as contained in the Cancun decision could be followed, to which the G77 and China was agreeable.

However, according to sources, the Annex 1 Parties, including the US and Russia, kept changing the goal post by insisting on the need for a listing of specific items in the agenda to reflect a prioritization of the issues. The G77 and China was not agreeable to this.

Discussions are expected to continue today on the agenda to be adopted on the final day of the Bangkok meeting.

Work under the Kyoto Protocol (AWG-KP)

Since the start of the Bangkok climate talks, developing countries have challenged developed countries to make explicit their political intent on whether there was support for the second commitment period of the KP.

At the meeting of the contact group on Thursday, the European Union, New Zealand, Norway, Switzerland and Australia gave their responses to questions by developing countries to make clear exactly what the pre-conditions were for Annex 1 Parties to adopt a second commitment period. However, there was deafening silence from Canada, Japan and Russia on the issue.

(The Chair of the AWG-KP, Adrian Macey from New Zealand, had issued three documents – ‘Questions by the AWG-KP Chair to facilitate discussion’, ‘Questions posed by Parties’, and ‘Ideas from the discussion in the first meeting of the Contact Group’. Tuvalu and Saint Lucia supported discussing question 1a by Parties which was “What pre-conditions have been met by the Cancun outcome that will enable your country (in particular Annex 1 Parties) to adopt a second commitment period of the Kyoto Protocol?” and “What further pre-conditions are necessary for your country (in particular Annex 1 Parties) to adopt a second commitment period of the Kyoto Protocol?”)

The **European Union** said that its starting point was the need for common endeavour by all Parties. At the last meeting of the Conference of Parties in Cancun in December 2010, it said that Parties agreed to keep temperature rise below 2 degrees Celsius and to do that, work on all tracks was necessary (referring to the AWG-KP and the AWG-LCA).

The EU said that the KP track was important and the EU had its own domestic legislation target of 20% emissions reduction by 2020 (based on 1990 levels). It could move to 30% reductions in the context of an international agreement and that was its offer. It was heartened by progress in Cancun where all Parties showed willingness to reduce emissions with their pledges and economy-wide targets but Cancun did not fully meet all the conditions as what rules were needed to fulfil the targets were still unknown.

On converting the emission reduction pledges to domestic legislation, the EU said that this is not a mechanical exercise but involves convincing Ministers, Parliaments and constituencies to get that done.

On the question of what are comparable efforts, the EU said that since the rules underpinning the targets are not known, it was hard to compare the

efforts. Hence, the need to look at targets and rules at the same time and that is the road to comparability.

It said that it was not enough to have comparability with only those who are KP Parties. There was a need for comparable efforts by all Parties.

(In the Bali Action Plan, comparability of efforts was agreed to in the context of developed countries in Annex 1 of the UNFCCC. Since the largest cumulative emitter is the United States this hard won agreement was aimed at the US fulfilling its UNFCCC emission reduction commitment even though it is not a Party to the KP that sets the numerical targets.)

On the political conditions needed for it to undertake a second commitment period, the EU said that there was a need for further work with the expectation that everyone sticks to their pledges and will implement them and turn them into domestic legislation.

New Zealand and Australia echoed the sentiments of the EU.

New Zealand said that not all the pre-conditions for the second commitment period have been met as there was a need for a comprehensive global agreement to set the path to the 2 degree Celsius temperature rise limit and this needed all developed countries to make comparable efforts and advanced developing countries and major emitters to take actions. This was needed to tell the public that countries were doing their fair share.

The other pre-condition was the need for clarity of the rules on land-use and land use change and forestry (LULUCF) and an effective international carbon market.

Australia said that for it to increase its ambition from an unconditional 5% to a conditional 25% emission reduction target (based on 2000 levels), there was a need for an international agreement that includes all major emitters.

Norway echoed the sentiments of the EU and New Zealand.

Colombia proposed (i) an examination of the pre-conditions; about what comparable and global efforts meant, which involved more political and conceptual matters; (ii) what would be the impact of the different rules on the numbers (for emission reductions); and (iii) what the reality would look like with those who do not want to be party to the second commitment period. Parties needed to look at the numbers to understand what that would look like, it said.

The **Marshall Islands** supported Colombia and said that there was a need to quantify the Annex 1 Parties’ emission targets and compare them with

1990 levels using the current KP architecture so that Parties can view the aggregate level of the emission reductions.

Tuvalu said that there were two sets of rules. One was the pre-condition for the second commitment period and the other for establishing the numbers. It still wanted clarity on words like “part of a wider outcome”, “global and comprehensive framework”, “comparable efforts” etc. It said that there was a need to focus on these “political conditions” and to unpack these phraseologies. Then, Parties could identify who wants the second commitment period under the KP.

Saint Lucia, for the **Alliance of Small Island States**, referred to the “political conditions” set by the developed countries for converting pledges into targets and said that this had implications for the timing of the second commitment period. On what were effective rules, it was important to ascertain what the atmosphere actually sees in terms of the emissions.

It supported building on the proposals of Colombia, the Marshall Islands and Tuvalu to explore and identify the rules that are implicated and to assess what really involves technical aspects and what had political components. St. Lucia was willing

to lay out the different rules for Parties to have a better discussion.

Saudi Arabia, referring to the pre-conditions of Annex 1 Parties, asked how Parties could force actions from Parties who are not Parties to the KP (in an apparent reference to the US) before committing to the second commitment period. That was going beyond the mandate of the KP and was not a condition within the control of the KP Parties. This, it said, was an indirect way to say that Parties could not accept a second commitment period.

China said that Annex 1 Parties say that their commitments have pre-conditions. If the precondition is related to whether or not Parties would undertake a second commitment period, there was no room for discussion but if the pre-condition is about enhancing the level of ambition, that is something that can be discussed. It said that its precondition was that there was a need for the second commitment period. If the Annex 1 Parties agreed to the second commitment period, then Parties could talk about the political and technical issues.

The vice-chair of the AWG-KP, Ms. Madeleine Rose Diouf from Senegal, said that a further meeting to continue discussions would be held.

A stocktaking session of the AWG-KP is also expected on Friday, 8 April.

Agenda for Working Group on Long-term Cooperation Adopted

Penang, 11 April (Meena Raman*) – After an intense two and a half days of negotiations, the agenda for the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA) under the United Nations Framework Convention on Climate Change (UNFCCC) was adopted in Bangkok late evening on the final day of the meeting on 8 April.

Ambassador Jorge Arguello of Argentina, representing the **Group of 77 and China**, said that the Group had tabled a draft agenda (on Tuesday, 5 April) that became the basis for negotiations and led to the adoption of the agenda on the final day.

“This agenda was the fruit of many hours of intensive discussions and engagement, and was structured to address all the building blocks of the Bali Action Plan as well as the elements of the Cancun decision in a balanced and comprehensive manner,” said Arguello.

The developed countries led by the United States had wanted an agenda that would only implement the decisions adopted in Cancun on the AWG-LCA outcome. The G77 and China argued that this would be a selective choice of issues and insisted that the mandate of the negotiations was still the Bali Action Plan, adopted in Bali in December 2007, which launched the Working Group and the current negotiations.

Behind the battle over the agenda was really a fight over what the final deal in Durban (at the 17th Conference of the Parties in December 2011) will contain. According to the developing countries, many key issues (such as the adequacy of emission reduction commitments of all developed countries, including the US; the need to avoid trade protectionism on climate grounds; the issue of patents and technology transfer) were not resolved in Cancun and should be included in this year’s climate talks.

At the last hours in Bangkok, the developing countries won the agenda battle. It was agreed that

the Bali Action Plan would remain as the framework for the future talks.

It was agreed that the agenda would address the following:

“Preparation of a comprehensive and balanced outcome to be presented to the Conference of the Parties for adoption at its seventeenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, pursuant to the results of the thirteenth (the 2007 Bali decision) and sixteenth (the 2010 Cancun decision) sessions of the Conference of the Parties and recognizing that the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention includes both implementation tasks and issues that are still to be concluded...”

On the sidelines of the Bangkok climate talks, it was learnt that the Asian Group met and finalised its 7 nominees to the Transitional Committee to design the Green Climate Fund that was established in Cancun. The nominees from Asia are from China, India, Pakistan, the Philippines, Singapore, Saudi Arabia and South Korea. However, it is learnt that the Group of Latin American and Caribbean countries (GRULAC) has yet to finalise its representatives to the Committee. The Transitional Committee is supposed to meet on 28-29 April in Mexico City.

At the closing plenary of the AWG-LCA presided over by its Chair Mr. Daniel Reifsnyder of the United States, Ambassador Arguello, speaking for the **G77 and China**, stressed that Cancun marked a milestone towards the fulfilment of the mandate of the Bali Action Plan “to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012. On this basis, the AWG-LCA must continue its work with a view to presenting its results to the 17th Conference of the Parties in a way that

contributes positively towards reaching an agreed outcome.”

Arguello said that there was a need to ensure a balanced result in both negotiating tracks (of the AWG-LCA and the Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol) and, in particular, to keep an internal balance within the AWG-LCA work in order to advance on all the issues under consideration in this Working Group in an equitable and integrated manner.

The negotiations should further contribute to implementing the tasks included in Cancun, while at the same time provide a framework for Parties to effectively address issues that were not concluded or that required further elaboration, he added.

On the road to Durban, Arguello stressed the need to ensure an open, Party-driven, transparent and inclusive multilateral process that would lead Parties to a consensus. In this regard, the Group reaffirmed that negotiations are to be led in an equal and fair manner.

He said that any outcome under the AWG-LCA in Durban shall recognise the historical responsibilities of developed country Parties and be in accordance with the principles of equity and common but differentiated responsibilities, while at the same time, take fully into account the legitimate priority needs of developing countries for the achievement of sustained economic growth and the eradication of poverty.

Arguello also reiterated the necessity for the active participation of Palestine in the UNFCCC process.

The **Democratic Republic of Congo**, for the **African Group**, said that its understanding was that the first meeting of the year (in Bangkok) would provide Parties with the opportunity to develop a comprehensive work programme to fulfil the mandate established in the Bali Action Plan, detailing (i) the outstanding elements of work as contained in the decision; and (ii) the completion of undertakings outlined in the Cancun decision.

The African Group expressed its extreme disappointment at not being able to engage in substantive discussions in Bangkok. It also expressed concern over the level of ambition of the Annex 1 Parties (developed countries) emission reductions reflected in the pre-session workshop (see TWN Bangkok Update #3), including the assumptions relating to the use of markets, land-use and other loopholes.

It stressed the importance of work towards clear metrics for comparability of efforts (as regards mitigation) from all Annex 1 Parties (referring to the US doing its share comparable to Kyoto Protocol developed country Parties), in accordance with the

Bali Action Plan. It also believed that an important part of the AWG-LCA's work is on the required sources and scale of financing to address the scale of climate challenge. The African Group also stressed the need to lay down the foundations for a comprehensive legally binding outcome in Durban.

Grenada speaking for the **Alliance of Small Island States** said that the Cancun Agreement was a step forward but not in terms of the scope, substance and ambition of the response that was demanded by Bali and the science of climate change. The Cancun decision was a foundation rather than the ceiling for future actions. Focus was needed on finalising the operational elements as well as on the unresolved issues. Parties cannot avoid decisions on the legal architecture as well as the need for ensuring environmental integrity of the climate regime. There was a need to address the mitigation ambition on the part of developed countries which must be ratcheted up. It said that Parties must not reinterpret the Cancun decision, and must avoid procedural wrangling. It was satisfied that an agenda has been arrived at.

Egypt, speaking for 22 countries in the **Arab Group**, stressed the need to work in order to explore options and ways to increase the level of ambition of the economy-wide emission reduction targets of Annex 1 Parties. Welcoming the adoption of the agenda, Egypt said that this discussion was another reminder of how delicate a balance Parties achieved in Bali. It reflects as well on how determined all Parties are to implement the Bali Action Plan and the results of the subsequent decisions of the COP (Conference of Parties) that reflect important milestones along the road, including Cancun.

It stressed the need to achieve the common goal in Durban to address the many challenges of climate change globally through the full and effective implementation of the Convention, its provisions, its principles and its Kyoto Protocol. It called for an outcome that fulfils the comprehensive mandate of the AWG-LCA in accordance with the Bali Action Plan and the institutional and practical arrangements that have been agreed in Cancun, especially with regard to the (Green Climate) Fund, the Adaptation Framework, the technology mechanism, the fulfilment of the financial pledges of developed countries, as well as their economy-wide emission reduction targets and the provision of new and additional resources and technology and capacity building for developing countries to support their adaptation efforts and their nationally appropriate voluntary mitigation actions.

It said that Parties in Bangkok succeeded in adopting a balanced and comprehensive agenda that will guide the work to Durban.

Gambia for the **Least Developed Countries** said that it was disappointed with the meeting in Bangkok for not consolidating work on key issues. It said finance was key for effective implementation and adaptation was a priority. It was also disappointed over the discussions on the level of ambition of developed country mitigation pledges.

Bolivia said that the fact that the adoption of the agenda took so long showed the insufficiencies and ambiguities in the Cancun decision and did not want the South African COP to be another Cancun. It said that Parties must reach emission reduction targets that limit temperature rise to well below 1.5 degrees Celsius. Even the recognition of the 2 degree Celsius limit leaves far short on what is needed to be done. It said that there had been no expression of political will for greater commitments by developed countries in time for South Africa. In the next 10 years, developed countries must reduce their emissions by 40-50% if we are to approach a 1.5 degree Celsius target.

On the rules for decision-making at the COP, Bolivia said that 276 decisions have been adopted over the last 16 years and not one was adopted without an objection except in Cancun. Referring to the gavelling of the Cancun decision despite its explicit objection, Bolivia said that the "tragic incident cannot be repeated in South Africa".

The **Philippines** said that Cancun served as a milestone for the fulfilment of the Bali Action Plan and there was a need in the work ahead to also address all the pending issues that needed resolution.

Thailand said that Bangkok saw a successful outcome and expressed delight that the agenda was adopted.

Australia said that the Cancun decision built on the Bali outcomes. It said that it came to Bangkok to implement the Cancun Agreement and was disappointed that some Parties were moving away from the important balance struck in Cancun. It said that it could not wait for procedural machinations and stressed the need for constructive work.

The **European Union** saw Cancun as a milestone in the negotiations but that it was not the end of road. It called for implementing the Cancun Agreement and in addressing the remaining central issues. It said a right balance was struck in the agenda but was disappointed that too much time was spent on this and that the substance of work could not start. It said that key issues remain to be resolved such as that of bunker fuels, agriculture, HCFC gases and the legal options.

The AWG-LCA will resume work on 7 June in Bonn, Germany.

Kyoto Protocol stock-taking

Meanwhile the work of the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP) in Bangkok has been in the nature of a stock-take with two plenary meetings and discussions held in one open-ended contact group as well as some informal consultations closed to observers.

In the second meeting of the stock-taking plenary session of the Kyoto Protocol (also on Friday, 8 April, at 3.50 pm) the chair of the AWG-KP, Adrian Macey of New Zealand, said there were two purposes for the stock-taking: (i) a reflection on the work of the week, though a different method of work was used in Bangkok covering many political issues (discussions were held in one contact group and not in several "spin off" groups as in the previous few sessions); and (2) looking ahead to the work in Bonn in June.

Macey made 4 points on the week's discussions. First, the discussions did break some new ground and there was more openness on some of the more sensitive political issues. There was recognition of the need for more political clarity on the future of the Kyoto Protocol and especially the second commitment period for emissions reduction under the Kyoto Protocol.

Secondly, there was a clearer understanding of the relationship between rules (including on land use, land use change and forestry) and targets (for emission reduction targets), and the implications of rules on the level of ambition. There was broad agreement on the environmental integrity of those rules, better recognition of the role of rules in the level of ambition of pledges, and how changes of rules will affect the level of ambition of pledges.

Thirdly, he said there were no common views on the way forward for the Bonn meeting (in June) even though a few suggestions and ideas have come from some Parties. These can be fleshed out by Parties, given to the Secretariat and put on the (UNFCCC) website.

Lastly, he said that a large number of Parties believe that greater political attention is warranted if there is to be success for Durban. Macey further said that last year there was a ministerial meeting in Mexico, and perhaps Mexico and South Africa (as the next Presidency/host) can consider this for 2011.

(A more detailed Update on the AWG-KP plenary will follow.)

The AWG-KP will resume work on 7 June in Bonn.

*(*With contributions from Chee Yoke Ling.)*

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New Direction in Kyoto Protocol Talks

Kuala Lumpur, 11 April (Lim Li Lin) – The Ad hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) closed its Bangkok session on Friday, 8 April after four days of candid discussions on the future of the Kyoto Protocol. Japan and Russia declared that they would not accept a second phase of emission reduction commitments under the Kyoto Protocol, and instead are in favour of a new agreement that would also include other major emitters.

Japan said that it had made its position clear in Cancun. It has sent a letter to the UNFCCC (UN Framework Convention on Climate Change) Secretariat, saying that it has no intention of having a second commitment period. It said that its refusal is because the Kyoto Protocol only covers 27% of global emissions and that will decline. A single framework where all major emitters participate is needed. It said that it wanted to live with them in the same house, under one legal framework. However, it said that it is useful to discuss technical issues, because a single legal framework with all major emitters requires solid rules, and the discussion provides useful inputs.

The Russian Federation said that it has repeatedly stated, including at the highest political level, that because of the unfair approach to countries that are listed in Annex B (Annex I or developed countries that have emission reduction commitments under the Kyoto Protocol), it has decided that it will not be a Party to the second commitment period. However, it said that it is more than willing to engage constructively in raising the level of understanding on all the positive features of the Kyoto Protocol to give flesh to the regime, and it has no intention of blocking progress on these. It would like a new legally binding instrument for the future. It is still Party to the Kyoto Protocol, and has no intention of withdrawing. Commitment is a separate issue, but there is still plenty of other work to be done in spin-

off groups, it said.

At the start of the session on Tuesday, 5 April, **Tuvalu, supported by other developing countries**, refused to conduct the technical work of the AWG-KP in small spin-off groups until the political issues around the future of the Kyoto Protocol and its second commitment period (after 2012) are resolved.

At the final contact group on Friday, further views were heard on how to proceed with the work of the AWG-KP and the political conditions that Annex I Parties have attached to their emission reduction pledges.

The Chair, Adrian Macey from New Zealand, distributed an updated version of 'Ideas from the discussion in the AWG-KP Contact Group meetings' that he had distributed the day before. He said that there is increased clarity around the conditions that Annex I Parties have attached to their (emission reduction) targets including those that are controversial, for example, a global agreement. He asked to what extent the Cancun decisions meet those conditions, and what is the quantitative relationship between targets and (accounting) rules. He expressed his wish to take that further and see the effect of different rules on the aggregate and individual targets. He asked if greater clarity could be achieved by looking at possible different scenarios given what Annex I Parties have said. The time is right for a political signal, he said. He also asked if there is agreement that we need to have a decision on rules and commitments at the same time. Clarification on the intention of Annex I Parties regarding the use of the rules is needed, he said.

The Vice Chair, Madeleine Diouf from Senegal, also reported back on her consultation with Parties on legal issues. She said that there is wide support among Parties to convene a spin-off group on legal matters, and most Parties are open to beginning this work at the continuation of the session in June in Bonn. She said that Parties were interested

to discuss the possible gap in commitment periods, and options for simplifying the amendment procedure in Article 21 of the Kyoto Protocol. She added that some Parties had addressed the issue of how to refer questions of a legal nature to the legal group, and whether this request had to come from the contact group (as is the past practice) or could also emanate from the Chair.

In the discussion during the contact group, **Bolivia** said that from its perspective, the first pre-condition is that the commitments of Annex I Parties should be consistent with science. The main goal is to move away from the pathway of a 4 degree Celsius temperature increase, and the current pledges from Cancun of 13-17% emission reductions are unacceptable. The key issue, it said, is are we going to move forward in Durban, South Africa (where the next Conference of the Parties serving as the meeting of the Parties will be held in December 2011) and be in a range (of emission reductions) that is consistent with the integrity of the earth and the climate system?

Secondly, Bolivia said that the rules should not undermine the emission reduction pledges or commitments. Rules should make those commitments stronger, not weaker, it said.

Thirdly, Bolivia said that the commitment of developed countries should be greater than that of developing countries. Data show that developed countries are reducing their emissions by 3 gigatonnes of CO₂eq per year in 2020, and developing countries by 3.6 gigatonnes, at the low end of the pledges. At the high end, it is 3.7 and 5 gigatonnes respectively. With offsets and market mechanisms, the burden of this effort is transferred even more to developing countries. Developed countries are using 1 gigatonne of offsets, and therefore only reducing their emissions by 2 gigatonnes. The discussion on rules cannot pass more effort on to developing countries, it said.

Fourthly, Bolivia said that its pre-condition is that the legal framework for the second commitment period should be stronger than the first. If there is a new agreement, it must have stronger rules on compliance, and on targets. It does not support moving from the Kyoto Protocol system to a "pledge and review" system, backed by national legislation, without any kind of binding commitments or comparability of efforts among developed countries.

Many developing countries including Tuvalu, Brazil on behalf of the G77 and China, St Lucia on behalf of the Alliance of Small Island States (AOSIS), Ecuador, Gambia on behalf of the least developed countries (LDCs), and the Philippines also spoke during the contact group. They supported

continuing the wider political discussion and not working in spin-off groups to discuss technical issues, and urged Annex I Parties to speak out to clarify their conditions attached to the second commitment period. The importance of the continuation of the Kyoto Protocol, the need to ensure that there is no gap between the end of the first commitment period and the start of the next commitment period, and the necessity of concluding on this issue by Durban was emphasised by them. They stressed the importance of environmental integrity of the emission reduction numbers, and that the rules must not weaken Annex I Parties' emission reduction commitments.

A number of Annex I Parties explained their positions.

Switzerland said that its position is fully in line with what was expressed by the EU and Norway the day before. It said that technical issues are fundamental for policy decisions, and that everything has to be dealt with together. It said that it was happy to work in spin-off groups to discuss the list of questions and ideas distributed by the Chair, as well as the other technical work of the AWG-KP.

New Zealand said that on the issue of comparability of Annex I mitigation efforts, it does not have the answer yet. It said that for New Zealand, comparability is between developed countries, and the worth of their mitigation effort must be capable of being compared with some kind of similar metric. It favours a cost-based metric, based on mitigation potential. For developing countries, their mitigation action must be fully commensurate with their respective capabilities, and this is a political judgement, it said. It needs to convince its parliament that everyone is doing their fair share. In their minds, there could be a couple of factors for example, per capita GDP and mitigation potential, as all countries have different circumstances.

New Zealand said that the rules are also needed, and that it is necessary to agree on them to launch a new period of political commitments. It supported the proposal that Colombia had put forward the day before, and said that scenarios are very important, for Parties to ask "what if?", and "what does the second commitment period look like?" It said that there is a fine line between what is purely technical, political, and policy. In reference to the issue of making compliance stronger that was raised by Bolivia and supported by Ecuador, it asked whether the policy objective is to bring Parties in or to scare them away.

The European Union said that its starting point is also science and environmental integrity, which is

the overall objective of the Convention to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. It said that it is not about pre-conditions but logical conclusions of sticking with environmental integrity - how to act in one globe, as we live in one house.

It said that in Europe, the issue of its legislation and carbon leakage is being debated, is its legislation really effective or just substituting consumption products that are being produced more and more by developing countries? Nothing can be done unless developing countries take action. It said that it needs to see progress and implementation of the Cancun agreements in a big way. It said that it is a political judgement at a certain point of time, as to how many countries would need to be part of a global agreement, and it is clear that it must also include non-Annex I countries.

The European Union cautioned that the news headlines the following week might indicate that nothing happened in Bangkok, as this is not giving the right image to this process. Three months ago we agreed on something, and now it looks like we are walking away, it said. It said that we need to discuss rules, and their implications on the numbers. It supported moving forward with the Colombian proposal in June.

Australia said that emission reduction targets are only worthwhile if backed by credible claims, on commitments and rules. It said that its unconditional pledge of 5% reductions by 2020 on 2000 levels is based on existing rules. This means that new restrictive rules could affect its target. It said that it was useful to model, to indicate what the trends would be if the rules changed. Cancun went a long way towards addressing its conditionalities, it said.

It said that it requires advanced economies, high middle income countries that are not members of Annex I and other major economies as part of the global deal. It needs broad and functioning carbon markets, and a legally binding commitment by all major economies. A legal outcome does not prejudge how they participate, but that they do participate, it said. It supported the Colombian proposal.

Colombia suggested that developed countries should start a discussion in their countries to guide us further as to what would be enough (in terms of meeting developed countries' conditionalities). It suggested having a large group discussion on the three issues that it had proposed the day before: 1) developed countries' conditionalities; 2) assessment of progress towards meeting those conditionalities, and how to reach the thresholds. This would require

modelling, to understand what that would look like; and 3) political scenarios leading up to Durban.

The Philippines and Tuvalu referred to the mandate of the AWG-KP set out in Article 3.9 of the Kyoto Protocol, which is to establish commitments for Annex I Parties for subsequent commitment periods.

Tuvalu said that Russia and Japan do not want a second commitment period but want to engage on the rules, whereas the mandate in Article 3.9 is clear, and there is no mandate to discuss the rules. It said that Russia and Japan want to have the discussion on the rules in the AWG-KP but in another context. The other developed countries may commit to a second commitment period but argue that the rules must be set first. It re-called the discussion in Kyoto (at the conclusion of the Kyoto Protocol negotiations) and after, where developing countries accommodated this demand, but those Parties did not participate. So rules first, and then non-participation later, it said. It does not want to go down that path again. We want to be clear – the rules will apply to those that will be Parties, not to those that do not want to be Parties, it said.

Tuvalu and Bolivia rejected moving forward on the basis of the Colombian proposal. The Marshall Islands considered that the Colombian proposal has some merits but that the political discussion should continue and intensify in June.

The Chair concluded that a broad contact group that can look at political issues was needed, and there are ways to progress, for example the proposal by Colombia. He said that negotiations end in text, and there is a risk that this process can lead to a talk fest. This is the single biggest challenge of the UNFCCC negotiations, and other issues also need to be addressed so that time is not lost, he said.

At the final stocktaking plenary, statements were made by countries and country groupings including Peru, Ecuador, Saudi Arabia, Argentina for the G77 and China, Switzerland, St Lucia for AOSIS, Australia for the Umbrella Group, the European Union, Tuvalu for the LDCs, Egypt for the Arab Group, Bolivia, China, Mexico, South Africa, India and Bangladesh.

Argentina, speaking for the G77 and China, said that the adoption of the second commitment period is the key and necessary outcome for success in Durban. All necessary efforts must be taken to avoid a gap between the commitment periods. Annex I countries must present ambitious numbers that will provide for deep cuts in greenhouse gas emissions that are required according to science.

It said that the fact that some Annex I countries were so clear on their non-commitment to the second

commitment period confirmed that technical issues have to come after political willingness. It said that some countries still do not understand that there are two distinct and parallel negotiating tracks that must be respected. We want progress in both tracks, but we should respect each track's mandate and not allow positions that can undermine positive outcomes to be reached in both of them, it said. Under the AWG-KP, the mandate is to complete our work as early as possible and in time to ensure that there is no gap between the first and second commitment periods, it said.

Switzerland said that it had expected more progress, after the dynamic impulse provided by the Cancun agreements. Nevertheless, it admitted that the discussions were very useful, in particular for the space to address the conditions for the participation in the second commitment period. It noted that this kind of discussion has also taken place under the Ad hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) mitigation workshops. It said that it would like to continue to consider policy issues, and that in parallel, the negotiations on the technical issues should continue in order to conclude our work as soon as possible to ensure that there is no gap between the commitment periods. It acknowledged that emission reductions under the Kyoto Protocol will not be sufficient for reaching the ultimate objective of the Convention. Therefore we have to increase our individual and aggregate objectives, it said.

St Lucia, speaking on behalf of AOSIS, said that their top priority is the second commitment period under the Kyoto Protocol. It asked for leadership to be demonstrated in the second commitment period under the Kyoto Protocol as part of a two-track approach with a legally binding agreement under the AWG-LCA. It said that an open discussion on political issues is absolutely essential, and it looked forward to continuing the process in order for a decision to be taken early enough in Durban. It said that there are two broad outcomes from the discussion: some Parties clarified their conditions, and some indicated that they do not intend to commit. It said that at the continued session in June, the first set should be addressed, on how to give these Parties comfort. It suggested that two technical papers could be usefully updated – the technical paper on mitigation potentials and means to reach targets – in the context of the greater ambition required and the gigatonne gap.

Australia, speaking for the Umbrella Group, said that it has listened carefully to the views on the division of political and technical issues, and that this year we need to ensure that enough time is allocated to allow us to complete all of our work in time for Durban. It said that this would be useful to think about how to reframe the discussion of rules, their relationship to commitments in a broad context, and ways and means to implement them.

Hungary, speaking for the European Union, said that some discussion is necessary of the political context, and also the scientific context, to ensure environmental integrity. It said that it wants to continue to engage in this discussion. At the same time, we need to see that the Kyoto Protocol is not working in isolation, it said. The level of comfort stems from the progress of work in the AWG-LCA. No matter how many political discussions about the overall framework, we need to make sure that the technical work goes ahead in parallel, as there is a link between the pledges and rules. It said that the work of the spin-off groups is required.

Tuvalu, speaking for the LDCs, said that the discussion has been useful and interesting. Some Parties will not adopt a second commitment period. There are also a wide variety of conditionalities, for example, comparable efforts, comprehensive agreement etc. We need to understand fully the conditions to the political outcomes, and it is not useful to go into technical details unless we know who we are talking to, it said. It said that the agenda that was adopted should not be changed, and should be the same for the next session of the AWG-KP.

Egypt, speaking for the Arab Group, said that agreement on the second commitment period is a pre-requisite to advance negotiations in the AWG-LCA. It said that the group would not be in a position to positively interact in case of failure to meet this objective. Attempts to delay the discussions within the framework of the AWG-KP cast doubts on the political commitment of some Annex I Parties. Two Parties have indicated their unwillingness to enter a second commitment period, while others have set pre-conditions, insisting on concluding technical discussions as a first step, it said. This is a clear breach of our mandate and sends negative signals about intentions and seriousness. It said that the Kyoto Protocol is the only legal tool so far in the international institutions of climate change, and has so far contributed effectively to the establishment of rules to deal with global climate change. The assumption that the Kyoto Protocol only covers a small percentage of global emissions is incorrect and misleading, it said.

Country-driven Approach Key in Technology Transfer Mechanism

*by Meena Raman**

AS the next round of climate negotiations takes place from 6 to 17 June in Bonn, Germany under the United Nations Framework Convention on Climate Change (UNFCCC), a key issue on the agenda for consideration of Parties is that of technology development and transfer.

In Cancun, at the 16th meeting of the Conference of Parties (COP), a decision was adopted to establish a Technology Mechanism comprising a Technology Executive Committee and the Climate Technology Centre and Network. This was the outcome of the Ad-hoc Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA).

In Bangkok, at a two-day expert workshop (4-5 April 2011) held prior to the official meeting of the AWG-LCA, many critical issues were raised on how to operationalise the Technology Mechanism (TM) with a view to achieving a fully operational and effective mechanism in 2012.

Many issues were identified during the workshop and are expected to be discussed further at the next session of the AWG-LCA in Bonn. One area of convergence among participants was for the TM to be a country-driven process with developing countries setting out their own needs.

In Bangkok, Parties from developing and developed countries, as well as experts that included presenters from the South Centre, the United Nations Environment Programme (UNEP), and the Consultative Group on International Agricultural Research (CGIAR) exchanged views.

The workshop was facilitated by Jukka Uosukainen of Finland who asked Parties to address: (i) the relationship between the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTC&N); (ii) the governance structure and terms of reference for the CTC&N and how the CTC will relate to the Network; (iii) the procedure for calls for proposals and criteria to be used to evaluate and select the host of the CTC&N; (iv) the potential links between the TM and the financial mechanism; and (v) consideration of additional functions for the TEC and CTC&N.

Uosukainen, in his report to the AWG-LCA on the outcomes of the workshop (which was displayed at the UNFCCC website as he was not present at the plenary session of the AWG-LCA on 8 April), said that the workshop was very practical and dynamic with participants presenting their ideas and exchanging views on how to achieve a fully operational Technology Mechanism by 2012.

He said this meant that Parties will need to work hard this year to define the following: (i) the terms of reference and governance structure for the CTC&N; (ii) the criteria and selection procedure for the host of the CTC&N; (iii) the relationship between the TEC and the CTC&N to ensure coherence, and the reporting lines of these two bodies within the Convention; (iv) how Parties are going to finance the TM; and (v) how the TM is going to interact with other parts of the international climate change architecture in the most efficient and effective way.

He said that there was a high level of convergence among Parties on many aspects of the design of the CTC&N. According to Uosukainen, many participants emphasised the need for a prompt start to the TM and suggested that the CTC&N could start small and be flexible so that it can grow over time in response to the needs from developing countries. All participants emphasised that the TM must engage the private sector at many levels, and leverage its expertise and resources to accelerate and scale up technology development and transfer, he further said.

On the governance and Terms of Reference (TOR) of the CTC&N, Uosukainen said that participants generated many ideas on how to achieve both accountability and a flexible and innovative CTC&N that is responsive to the needs of Parties and is responsible to the Convention. From the discussion, many possible elements of the TOR were identified, he added.

Another key point that he noted was the role of national institutions in relation to the CTC&N to ensure a country-driven approach and to build in-country capacity over the long term.

On the procedures for the selection process for the host of the CTC&N, he said that participants emphasised the need for transparency and for a well-defined set of criteria. He added that participants suggested specific ideas for a list of criteria that will be useful to discussions in the more formal setting of the AWG-LCA.

On the relationship between the TEC and the CTC&N, Uosukainen said that there were different views on the role of the TEC in guiding or governing the CTC&N. He said that participants emphasised the importance of achieving a coherent TM.

On the issue of financing the TM, he said that all participants emphasised the need to ensure adequate and stable financial support for the operations of the TM, including for the services that would be provided by the CTC&N.

There was a need to identify sources of finance in the short term for the prompt start of the TM, as well as long-term sources that will allow it to grow and develop in response to the needs of Parties, he said further. The question of whether there should be a specific funding window for technology development and transfer was also discussed, he said.

On the links between the TM and other parts of the UNFCCC climate change architecture, Uosukainen said that participants were of the view that the TM would be an important part of the international climate change architecture that would need to interact with all other components, particularly the bodies supporting adaptation, mitigation and finance. The focus should be on efficient and direct linkages that do not create additional layers of complexity.

India, in reflecting on the various presentations from Parties, said that it saw convergence emerging on the following matters: (i) the need for a country-driven process with developing countries setting out their own needs; (ii) the CTC being an enabling centre which receives requests from Parties and is in touch with a team of experts, and be located in an existing institution and there is a group who will be in it, with a CEO; and (iv) when services are provided, these are provided by teams of service providers in the Network who can be drawn from a certain number of organisations which can put together a team.

India said that there was a good discussion on some issues although there was no convergence, and it identified three such issues: (i) the size of the CTC; (ii) governance of the CTC and attention is needed on the issue of transparency of the governance process and its responsibility to the COP; and (iii) the vexed issue of intellectual property rights (IPRs) and how to address this. It said that there was a need to establish a process on how to move on the IPR issue.

Following calls by some developing countries for the TEC to address the issue of IPRs, the United States said that it was agreed in Cancun that IPRs are not a hurdle to technology transfer.

The following is an account of the presentations by various Parties and experts.

Dr. Jonathan Pershing spoke for the United States and said that there was a need to elaborate on the specifics to move rapidly to operationalise the CTC&N, including enabling the issuance of request of proposals in Durban (South Africa, where the next COP meeting will be held in December 2011) to host it. For this purpose, it was useful to discuss the objective, core responsibilities, tasks, governance, and relationship between the Centre and Network. It said that the CTC&N could help developing countries identify and implement technology projects' strategies to enhance low-emission climate-resilient development. It was not to do basic research or provide money or allocate intellectual property but to draw from others.

On how the CTC&N could deliver results, the US said that it could be a significant new avenue for technical assistance in identifying and securing appropriate technologies. In this regard, it could be the first stop for technology information, analysis tools, best practices and ideas on financing options. It can help in identifying technology needs and options as well as policy barriers based on country requests. It could also provide access to a global network of regional and sector experts for knowledge-sharing to build capacity and knowledge.

On the tools to deliver results, the US said that there could be expert team responders drawn from the Network of institutions both in developed and developing countries and support in-country visits and provide capacity-building for project or policy proposals, for example, on feed-in tariffs or solar panels.

There could be training which could be country-, region- or issue-specific. There could also be identification of funding through the use of the CTC&N financial and business planning expertise to advise on how to structure project finance or programmes. The eventual goal is for the CTC&N "stamp" to enable funders to know that the project/programme has been vetted.

It said that there were many models for the structure to work but it should be results-oriented, cost-effective and efficient. Among the considerations could be: (i) for the centre to play a coordinating role, matching requests to right parts of the Network; (ii) a single centre or regional but should not be too many; (iii) for the Network to undertake most of the substantive work; (iv) the Network is arranged in sectoral areas such as in renewable (energy), efficiency, water, agriculture etc; and (v) the private sector and academia could have an important role in the Network.

The US gave an example of the CTC&N in action. A country contacts the CTC with request for assistance in securing a type of project or policy. If accepted, a case manager is assigned to help ensure transparency and responsiveness. The CTC works with the country to develop a work-plan and time-line; define the project scope; identify the Network team; and consult with stakeholders.

The US also raised questions about the budget for the CTC&N as to how much goes to the Centre versus the Network. On the structural issues to be resolved, it identified the following: responsibilities of the Centre versus the Network; Network membership; collaboration with the private sector and academia; and accountability, oversight and reporting including the governance system, for example, if the CTC&N should be run by a Board of Governors.

Dr. Ajay Mathur spoke for India and said that the CTC has three functions viz. to stimulate technical development and transfer; provide technical assistance; and facilitate and establish networks. A developing country makes a request to the CTC, for example, to develop a project for installation of renewable energy. This could involve project preparation, capacity-building or innovation or encompass all three aspects. The Centre will ask a group of experts to respond to the request, which is a Network to provide services. The Network is self-organised and could be at the country, regional or international level. The Network needs a hub or a coordinator, which draws on various experts including regional experts, sectoral experts, industry experts and financial experts.

Initially, he said, no networks exist. The CTC will need to facilitate the establishment of networks that respond to country requests. The developing country partners need to provide early intimation of the kinds of requests and of the volume of requests. The CTC may assess the feasibility of the requests and prioritise requests. The CTC may, through a transparent process, invite, evaluate and select a consortium/network that meets the requests. Future requests may be directed to the appropriate network.

In the selection of the CTC, India said that there was a need to ensure experience in technology development and transfer, innovation in technology and business models, collaborative actions and project management. It must have the capability to host the CTC in terms of office space, expatriate staff and logistic support and provide access to technical, human and financial resources. There must be willingness for long-term commitment, as well as financial, infrastructural and human resource support. There must be ease of travel and connectivity and should preferably be in a developing country.

On the activities of the CTC, India said that it should receive developing country requests for technology development and transfer, and identify the appropriate network to respond to the requests. It must stimulate collaboration with a range of institutions for technology development and transfer. It must enable learning and transfer of experience and knowledge, as well as manage the request-response process and facilitate the necessary funding to enable timely implementation by the appropriate network.

On the governance structure, India said the CTC should have a governing body of senior technical experts drawn from various countries (both developed and developing), elected by Parties. The governing body will provide policy on issues such as prioritisation, operational criteria and guidelines, human resource policies, response to requests, time-lines and appropriateness of response and budget, resources, audit etc. The TEC could be the governing body of the CTC. In relation to the financing of the CTC&N activities, the core funding could come from the Green Climate Fund, the host country/institution and other donors. The activity funding could also come from the Climate Fund, as well as from donors, the host country and the private sector.

Tomasz Chruszczow, for the European Union, said that it envisioned the CTC as being light with a small team with a clear and effective structure and is cost-efficient and able to undertake administrative support. The CTC is to be small compared to the Network and should only play the facilitator role, with a country-driven approach being assured. The Network should be as flexible as possible, facilitating a project/country-driven approach based on “national circumstances and priorities”.

For the EU, the terms of reference of the CTC should focus on how to facilitate the Network and manage information; collect and maintain information on the Network members; collect and receive nominations; set up and maintain database, web-based networking and registration tools; seek memberships amongst relevant existing organisations; promote and stimulate cooperation between the members of the Network; information and reporting on activities; engagement with Network members; and disseminate information on Network members.

The key role of the Network is to advise and provide support for identifying technology needs and implementing technologies on the ground; support networking and capacity-building for developing countries;

stimulate technology development and transfer, e.g. through public and private collaboration at all levels; and disseminate good policies and best practices for technology planning and diffusion.

The Network should be open to applications and draw from existing public and private institutions; help improve the quality of projects to make them more fundable; and make information available for the identification of potential funding sources, as appropriate.

The EU stressed the need for a country-driven action based on national circumstances and priorities. It said that the CTC catalyses action in developing countries by facilitating information and access to a network of organisations and initiatives; connects institutions and makes information available on them with the purpose of facilitating/enhancing action on technology development and transfer in support of action on mitigation and adaptation; stimulates North-South, South-South cooperation; and provides information on the organisations and initiatives but Parties will have the final decision on the partnerships for collaboration.

On the selection process of a host for the CTC, the EU said that the process should be open, transparent, fair and neutral and the host should *inter alia* demonstrate expertise and knowledge of technological processes. The EU expressed the preference of the CTC as an intergovernmental institution within the UN system.

As regards the link between the TEC and the CTC, the EU said that both these institutions are to promote coherence and synergies in relation to technology transfer. The CTC facilitates access to a Network and shall operate independently within its TOR and take into account the strategic guidance provided by the TEC. The CTC and the TEC will report on an interim basis to the subsidiary bodies of the UNFCCC and the TEC recommendations are to be provided directly to the COP, which decides which recommendations it will take into account.

In reference to some developing countries calling for the CTC to be under the TEC, the EU said that the TEC and CTC are in “different worlds” and there is no hierarchy between them.

In relation to the TEC’s relationship with other institutional arrangements, the EU said that there should be a clear separation between the strategic policy level advice from the TEC and operational aspects related to the work of the entities entrusted with the financial mechanism.

There was a need to ensure that the Technology Mechanism is not a stand-alone arrangement but should enhance synergies with other institutional arrangements.

* This is the first of a two-part article. The second part titled “New technology transfer mechanism raises many issues” follows below. With inputs from Majorie Williams.

New Technology Transfer Mechanism Raises Many Issues

*by Meena Raman**

SEVERAL key issues related to technology development and transfer will be considered at the next round of climate negotiations on 6-17 June in Bonn, Germany under the United Nations Framework Convention on Climate Change (UNFCCC).

In Cancun, at the 16th meeting of the Conference of Parties (COP), a decision was adopted to establish a Technology Mechanism comprising a Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTC&N). This was the outcome of the Ad-hoc Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA).

A two-day Expert Workshop on the Technology Mechanism (4-5 April 2011) was held prior to the official meeting of the AWG-LCA that met after Cancun, in which many critical issues were raised on how to operationalise the Technology Mechanism (TM) with a view to achieving a fully operational and effective mechanism in 2012.

In this second article, highlights of the presentations by several UNFCCC Parties and experts from the South Centre, the United Nations Environment Programme (UNEP), and the Consultative Group on International Agricultural Research (CGIAR) are reported. In addition to the institutional and functional issues of the TM, intellectual property rights as obstacles to technology transfer and development as well as technology assessment featured in a number of the presentations.

[Please see earlier article titled “Country-driven approach key in technology transfer mechanism” on the overview of the workshop discussions and the presentations by India, the European Union and the United States.]

Bolivia’s Ambassador Pablo Solon presented on the CTC governance structure and its Terms of Reference (TOR). He stressed that the explicit goals of the CTC are to enable the transfer of skills and know-how to use, operate, maintain, as well as to understand the technology hardware; promote research and further independent innovation by developing countries; facilitate the development of technology through imitation or reverse engineering to adapt it to local conditions; finance and acquisition of equipment and innovation; identify, suggest and promote initiatives to remove obstacles for technology transfer to developing countries such as intellectual property rights; support the recovery and promote traditional and indigenous knowledge; and support the evaluation, in an independent manner and without conflict of interest, of the potential environmental, health, social, and economic impacts of new technologies before they are spread.

Bolivia also emphasised the importance of safeguards in relation to the use of technologies and said that many dangerous technologies have been released in the market before their environmental or health impacts are known, or before their social and economic impacts on poor people and developing countries are understood. This, it said, is currently the case with genetically modified organisms, agrochemicals, biofuels, nano-technology and synthetic biology. Further, geo-engineering and all forms of artificial manipulation of the climate should be prohibited, said Bolivia, for they (bring) enormous risk of further destabilisation.

Bolivia also cautioned that the CTC should not be reduced to a show-case for sale of new technologies by developed countries and should not be a source of monopoly profits.

In terms of structure, Bolivia sees the CTC as operating under the TEC. At the national level, it should be led and coordinated by the national state-involved entities. At the regional level, it is necessary to identify existing entities that can coordinate the CTC. It should not only be limited to public-private partnership but also public-public partnership and public-social partnership.

Bolivia also identified several obstacles for technology transfer, which included finance, high cost of certain technology and equipment suppliers, inadequate laws and regulations, lack of absorptive capacity, shortage of skilled personnel, poor infrastructure, and intellectual property rights (IPRs), particularly patents and trade secrets.

On the issue of IPRs, Bolivia said that it is often argued that availability of effective IPR protection provides foreign companies with an incentive to transfer protected technologies to developing countries and will encourage the inflow of FDI (foreign direct investment). It said that the availability (and enforceability)

of IPRs is by no means a sufficient condition for an increase in FDI or for transfer of technology to occur. Countries with weak IPR regimes have been among the major technology borrowers (e. g. South Korea, Taiwan, and Brazil in the years preceding the coming into force of the World Trade Organisation), while many countries (including many African countries) with IPR regimes comparable to those of developed countries have a poor record of being technology importers.

It said that strong IP protection means that the IP holder can control the use of his technology, and decide when, where and how to use it and whether to transfer it and the ways in which the technology can be utilised, if at all, in those countries where protection has been obtained. Bolivia pointed out that 10 developed countries account for 84% of resources spent on R&D (research and development) globally, control 94% of the technological output in terms of patents taken out in the US between 1977-2000 and received 91% of global cross-border royalties and technology licensing fees in 1997.

Bolivia cited the example of India where prior to 1970, when India allowed patent protection for pharmaceuticals, multinational corporations dominated the supply of medicines and the Indian manufacturers supplied a much smaller share of the Indian market. It said that in 1970, the Indian law was amended and patents on pharmaceutical products were not allowed, and provided some figures to show that over the years the share of the Indian pharmaceutical market supplied by domestic companies increased dramatically, and India moved from being a net importer of medicines to a net exporter, with exports to a large number of countries, including developed regions such as the United States and Europe and developing countries.

Bolivia said that as regards the CTC in relation to the issue of IPRs, it was important to identify the concrete IPR obstacles and propose alternatives, provide support in the use of flexibilities available within the TRIPS Agreement (such as the use of compulsory licences, exceptions to patent rights, regulating voluntary licences and ensure strict application of patentability criteria). It said that the CTC must support in the development of proposals for national legislation that allowed more flexibilities in IPRs, initiatives to promote and fully benefit from innovations that are in the public domain and analyse and propose initiatives to deal with other patent issues.

Australia's Louise Hand wanted a country-driven CTC that is adaptable and responsive to national circumstances. It stressed the need for enhancing conditions necessary for investment and a key role for the private sector. The TM and its aspects must be leveraged around existing processes and structures and should be hosted by existing institutions. It said that both the TEC and the CTC&N are complementary and non-subservient, with each being accountable to the COP in its own right and report as such.

Dr. Al Binger spoke for the Alliance of Small Island States (AOSIS) and said that the function of the TM and its key aspects should focus on creating the environment for more technology development and transfer. It should increase the availability of green technologies for development including social development. The TEC must be Party-driven and the financial mechanism provides resources for development of projects. This must be an integrated approach.

On the issue of governance of the TM, AOSIS supported a distinct Board of Directors with regional representation, including from SIDS (Small Island Developing States) and LDCs (Least Developed Countries). The TOR should be decided by the COP, including fiduciary responsibility, and have oversight of the business plan, developed in response to the needs of Parties liaising with the TEC. There should also be operational oversight and reporting to the COP.

AOSIS presented two options for the appointment of the Board of Directors, which could either be appointed by the COP or the TEC.

In terms of the day-to-day functions, the TM must respond to the needs of developing countries. The funding should come from the financial mechanism under the UNFCCC and should be coordinated with the work of the TEC. Other functions include the preparation of reports and proposals for mobilising financial resources; identify technologies to meet members' needs; develop strategies for further development testing/criteria for new technologies; facilitate collaborative agreements between the private sector and research institutes; and facilitate training to help develop capacity.

On the staffing, it said that the key administrative officer should be an executive director with two deputy directors (one each for adaptation and mitigation); and sector specialists, with regional distribution mainly from developing countries. It should be located preferably within host institutions with technology development experience and international accounting standards and credible international status.

On the composition of the Network, AOSIS wanted the establishment of regional and national centres of excellence, with criteria set by the TEC. It said that initial members of the Network should be identified

by the TEC and the membership be open to all who meet the criteria. There is a need also to have memoranda of agreement between the CTC and institutions.

Apart from an effective and efficient technology transfer mechanism, AOSIS also called for capacity-building support and a loss-and-damage mechanism to help SIDS recover from adverse climatic impacts.

Dr. Ainun Nishat of Bangladesh said that the major task of the CTC will be, but not limited to, supporting the establishment of regional Centres and its networks; the selection of best available technologies; the diffusion of new technology; resolving issues related to IPRs; and supporting R&D for hard and soft technologies as well as enabling capacity-building including skills training programmes to its Network.

Bangladesh also envisioned the governance structure of the CTC to comprise an Expert Group that will provide strategic guidelines to the CTC for technology selection, review, assessment, evaluation, and monitoring of technology innovation, development, deployment and diffusion as requested by its Networks. It also advocated the need for a secretariat that will be responsible for day-to-day management and in supporting the Expert Group. It also proposed the creation of Regional Climate Technology Centres (RCTCs) to be set up in all the UN Regions as Networks of the CTC, with mandates of the RCTCs being similar to that of the CTC.

Japan's Mr. Jun Arima said that the main tasks of the CTC are to provide advice to developing country governments on technology needs assessment, low carbon development strategies and nationally appropriate mitigation actions (NAMAs) through its Regional Centres. It would also support developing countries to identify technology options and conduct capacity building/training programmes and facilitate communications among "networks" of national, regional, sectoral and international technology centres, networks, organisations and initiatives. The CTC is also to provide support and advice to CTC&N members/network organisations to develop and implement projects related to technology transfer.

Japan said that technology transfer requires a tailor-made approach and the CTC should function as an efficient gatekeeper, which enables efficient implementation of technology transfer, and utilises outside experts to respond to the needs and requests of developing countries. It also said that sectoral/regional approaches are effective to identify available technologies/experts and to create efficient networks to support developing countries. It wanted the CTC's operation to be prompt and flexible enough to engage companies. It proposed the CTC governing board to have 10 members in total with an Executive Director.

Mr. Can Wang of China said that there was a need for an appropriate coordination, management and accountability system within the TM. It said that the TEC provides the broad framework, directions and strategy for technology development and transfer under the Convention and guides the CTC and Network. It said that the TEC could serve as the governing body of the CTC&N. China wanted the CTC&N to be accountable to the TEC, which could ensure that its activities are closely aligned with the needs of developing countries. The CTC&N would report to the TEC, through which the report of the TM as a whole would be submitted to the COP.

On the linkage between the TM and the financial mechanism, China said that there was a need for a specific window for technology development and transfer. The TEC would recommend the policies, programme priorities, eligibility criteria for support and actions that are necessary to accelerate technology development and transfer. The TEC would have a role of overseeing and providing recommendations for the review process of the operating entities of the financial mechanism. It said that the TEC would also have a role in the regular performance evaluations of projects. The results of the evaluations would feed into the TEC's guidance to the CTC&N and on programme priorities, policies and eligibility criteria to the COP.

China said that the additional functions of the TEC could be to evaluate the performance of development and transfer of environmentally sound technologies in terms of speed, range and size of the technological flow; measure, report and verify (MRV) the technology support for developing countries' actions on mitigation and adaptation; and properly deal with IPRs.

Dr. Carola Borja of Ecuador addressed the issue of additional functions for the TEC and proposed two key functions which relate to policy and enabling functions to remove technology transfer barriers for adaptation and mitigation actions. This was needed, it said, as developing countries faced many challenges in relation to technology transfer that included the high prices of technologies that prevent its adequate use by developing countries; IPRs; technologies that are not adequate for the realities of developing countries; and the lack of resources to devote to research and development in developing countries.

Ecuador presented data showing how OECD countries dominated the field of clean energy technologies through patents.

As regards the policy functions of the TEC, Ecuador said that this included ensuring that environmental-climate-related technologies are in the public domain and free of patents. The TEC should foster technology disaggregation; influence multilateral entities to enact policies to facilitate the transfer of clean technologies and reduce IPR barriers; guarantee the access to the needed resources for capacity-building, at a sectoral level according to the priorities of each developing country; lead to innovation through the development and improvement of endogenous technologies; and determine policies to develop the “know-how” for the new and existing technology, research and development needs.

On the enabling functions, Ecuador said that the TEC should provide the means to facilitate the establishment of technology transfer sharing arrangements between providers and users; find enough resources to transfer technology; build institutional arrangements so that developing countries can have easy access to technology providers; encourage developing countries to conduct their technology needs assessments; facilitate the mapping of technologies available from developed countries; foster the exchange of experiences and technological solutions; and once a technology is developed, it becomes part of the public domain for easy and fast transfer to countries who are in need of it.

It said that the TEC should recommend actions to address the barriers to technology transfer through policies and enabling functions and deal with the necessity of applying a flexible system of IPRs with respect to clean technologies.

Mr. Aziwimpheli Makwarela of South Africa proposed some additional functions of the TEC, which included examining the draft work programme and the budget of the CTC and making recommendations to the governing body of the TM (represented by the Parties); reviewing the implementation of the approved work programme and reporting back to the governing body; elaborating on the medium- and long-term potential of the CTC’s programmes and planning, including specialised and new fields of research; and making recommendations to the governing body and assisting the heads of the CTC&N on all substantive, scientific and technical matters concerning the activities of the CTC, including co-operation with other centres and networks.

Mr. Martin Khor of the South Centre was one of the experts invited to share perspectives on the form and content of the TM. He said that the big challenge was to combine the big policy issues relating to technology transfer, while seeking to stimulate a bottom-up approach. He said that the functions of the TM must include helping developing countries identify technology needs in the different sectors; helping to assess which technologies are suitable (environmentally-sound, socially appropriate and efficient economically); and identifying the policy and other barriers for access to technologies at affordable prices.

Khor said that there were three kinds of technologies relevant to this discussion viz. technologies in the public domain which needed to be expanded; technologies with proprietary rights, where there is scope to exploit the flexibilities under the WTO’s TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement, including compulsory licensing; and future technologies that require international cooperation in R&D and for this to be in the public domain, and that could be funded by the TM.

Khor said that adaptation of technology relates to transfer skills, equipment and climbing up the technology chain. The roles of the public and private sectors such as SMEs (small and medium sized enterprises) need to be supported as well as public sector investment, especially in energy and water.

He highlighted that in technology needs assessments (TNAs), the issue of greenhouse gases was only one aspect. Other aspects that are critical to the TNA process include sustainable development aspects such as job creation, poverty, health and social and economic cost factors.

He stressed the need for a bottom-up process that helps build technological capacity at the base in developing countries. He said that while the Network can be dense with bases at the country level, the global structure of the CTC should be quite light. He cautioned against a big top-heavy global CTC structure.

In this context, Khor gave two examples of the IPCC (Intergovernmental Panel on Climate Change) and the Montreal Protocol Fund (related to ozone depletion) models. In the case of the Montreal Fund, he pointed out that it works because they established ozone national focal points in various countries. The CTC could function in a similar fashion as the IPCC or the Montreal Protocol Fund with a light secretariat, voluntary technical committees plus networks utilising an implementing agency such as the UNDP (UN Development Programme).

Mr. Emile Frison from the Consultative Group on International Agricultural Research (CGIAR) shared some lessons. He said that it was important to keep the TM simple and avoid complexity so that there could be creativity without a bureaucratic organisation. There is a need to build trust and the principles must be agreed to before legal experts write agreements.

Mr. Mark Radka from UNEP said that from its case studies, attributes of successful centres and networks showed that there must be shared interests among partners, with strong incentives for collaboration; stable and long-term funding and political support; clearly defined missions and metrics; open and efficient information sharing; commitment from senior managers; participation of both public and private sectors; flexibility to respond to evolving conditions and opportunities; integrated approaches to R&D, demonstration and deployment; appropriately sized networks for effective cooperation; and provision for capacity-building of members where needed.

Many of these issues raised in the April workshop are expected to be considered at the June meeting of the AWG-LCA in Bonn.

* With inputs from Majorie Williams. The above two-part article was first published in the SUNS #7146 on Tuesday, 10 May 2011.

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