

Developing countries press Annex 1 Parties on their emission reductions pledges

Bonn, 8 June (Lim Li Lin) – The contact group on the scale of emission reductions to be achieved by Annex I Parties (the “numbers” group) under the Ad hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) met on Thursday, 4 June and Friday, 5 June.

On **Thursday**, the contact group continued to discuss the note prepared by the UNFCCC Secretariat on *‘Compilation of pledges for emission reductions and related assumptions provided by Parties to date and the associated emission reductions’* that was presented the day before. According to the paper, greenhouse gas (GHG) emission reductions in aggregate of Annex I Parties (developed countries) are expected to be between 17 and 25 % below 1990 levels by 2020, whether or not land use, land use change and forestry (LULUCF) is included or excluded.

The Secretariat also presented its technical paper on *‘Issues relating to the transformation of pledges for emission reductions into quantified emission limitation and reduction objectives’*.

Parties voiced their reactions to the emission reduction pledges by Annex I Parties including on the inclusion of LULUCF, the use of carry over of surplus assigned amount units (AAUs) from one commitment period to the next and the use of the flexible market mechanisms of the Kyoto Protocol.

China said that before Copenhagen, Canada pledged to reduce its GHG emissions by 20% by 2020 relative to 2006 levels, and to reduce its GHG emissions by 60-70 % by 2050 below 2006 levels. However, in the context of the Copenhagen Accord, Canada pledged to reduce its emissions by 17% by 2020 below 2005 levels, “to be aligned with the final economy-wide emissions target of the United States in enacted legislation”. It said that according to a recent article in Nature journal dated 22 April 2010,

“Canada is the only country that both weakened its ambitions in the course of the negotiations, and effectively argued for an increase of 2020 emission allowances above its current

Kyoto Protocol target: 3% above instead of 6% below 1990 levels.”

China asked why should an Annex I Party align its target with a country that is not a Party to the Kyoto Protocol? It said that this is a race to the bottom, following a country that is not even a Party to the Kyoto Protocol. There is such a tremendous gap between the pledges and what the science and the principle of historical responsibility requires for the aggregate emission reductions target of Annex I Parties. The pledges are already low, and are being revised downwards, instead of upwards. If this is the trend, the gap will become bigger and bigger. We are moving in the wrong direction, it said.

Canada responded that it was very important for it to have its target aligned with the US because its economy is closely aligned with the US and they have a large trading relationship.

Micronesia on behalf of the **Alliance of Small Island States** (AOSIS) said that Annex I Parties that have used other base lines to reflect their pledges should be asked to convert them to 1990 levels. It asked for Annex I Parties to provide clarity on assumptions that underpin the ranges pledged by them, including on LULUCF, if Parties plan to use surplus AAUs, the clean development mechanism (CDM) and joint implementation (JI). It asked for these assumptions and the quantity anticipated to be listed. It said that the environmental outcomes should be assessed, by looking at the cumulative impacts of the pledges on the environmental outcomes relative to the 1990 level.

South Africa said that what is important is the way

in which we define the LULUCF rules to support environmental integrity, that there is a tremendous benefit if there is no carry over of surplus AAUs from one commitment period to the next, and that offsets should be limited – the principle of complementarity is important.

New Zealand said that with regards to using the CDM or JI, it is not planning anything. It said that it is the choice of the private sector, it simply does not know, and the government has no control.

The **European Union** said that unlike New Zealand, it limits the amount of offsets that the private sector can do, and CDM is complementary to domestic efforts.

Philippines requested the Secretariat to add a column to Table 1 (Overview of pledges for emission reductions by Annex I Parties) in their paper which would indicate the share of domestic reductions that Annex I Parties will do, in order for transparency.

The EU presented a graph '*Scenarios of cumulative emission reduction relative to baseline from 2013-2020*' which showed a 30% emission reduction scenario and the high end of the current pledges by Annex I Parties, if LULUCF is included and if surplus AAUs are used. It said that emissions could increase by 7-8 gigatonnes in the year 2020 if AAU surplus is not addressed and is fully used, and if unconstrained gross-net LULUCF is included.

It said that this shows how important it is to know the rules (regarding LULUCF and surplus AAUs) before we start deciding on the emission reduction figure. Just talking about closing the gap (between the current level of ambition and what is required by science) without deciding the rules will not lead us to a result that will save the planet, it said.

China said that it fully understands and supports the concerns with regard to LULUCF and the use of the flexible mechanisms. But the purpose of the discussion of the rules is to help arrive at the scale of Annex I emission reductions and improve environmental integrity. It said that the G77 and China have made tremendous efforts and spent a lot of time discussing the rules, and this should serve its original purpose. It said that we must improve the level of ambition, and not stop at the current pledges.

Bolivia said that what is needed is the concrete domestic emission reductions figures of Annex 1 Parties, so that the pledges are transparent. Pledges have been made, but so many rules are not clarified and we do not know what we are talking about. One way is to clarify the rules, the other way is to clarify what a Party is going to do domestically, it said.

Bolivia said the reference for the aggregate emission reductions of developed countries should be the equitable allocation of the atmospheric space taking into account a budget from 1750 to 2050. Developed countries, taking into account their population, have occupied the space in an inequitable manner. Based on a various temperature increase scenarios (1, 1.5 and 2 degrees Celsius), we can calculate a total budget of GHGs that we can send to the atmosphere. This will allow us to see what the aggregate target should be and who has emitted, and see how unfair the distribution of the atmospheric space is, taking into account historical responsibility. From this we can arrive at an equitable target.

It concluded by summarizing that is needed is information and analysis on (i) domestic emission reduction efforts that are going to be done by Annex I Parties, and (ii) historical emissions and the distribution of atmospheric space in an equitable way.

The **EU** said that there are two ways of looking at the issue, and the answer to the question of “what do you want to do” is “whatever the rules allow me to do”. It likened determining the emission reduction target before deciding on the rule to playing a game of football where the rules are fixed only after the game starts.

It asked whether Bolivia was suggesting that just looking at Annex B countries was too narrow, and if a broader view should be taken, including all the Parties in the room.

Bolivia, in response to the EU, said that if developing countries do whatever the rules allow them to do, we would be in a very bad situation, but we are responsible and are doing our best. It said that we have to change our thinking, for the sake of humanity and nature, because those who did little or nothing to cause the problem suffering now, as a result of the historical emissions and responsibility of the developed countries. It opposed any attempt the merge the two negotiating tracks (AWG-KP and the AWG-LCA – Ad hoc Working Group on Long-term Cooperative Action under the Convention).

Russia said that it supported the use of the carry over of surplus AAUs.

New Zealand said that it shared the concern about the use of surplus AAUs and environmental integrity, but limiting its use is not the best way to address the problem. Forestry countries need to deal with future sinks liabilities, it said, and carrying over surplus AAUs is one way that we can do that. Forests have 28-year cycles, and this does not fit in with a five-year

commitment period. Sometimes the forests are net sinks or a source, so carry-overs are important for a sector that is “carbon neutral”.

South Africa disputed the assertion that the forestry sector is carbon neutral, and insisted that it was “time to do the business on the numbers now”.

The **EU** responded that it is necessary to know “where the goal posts are”. With regards to surplus AAUs, it said that overachievement can be used in one commitment period to be lazy in the next commitment period, but it is a zero sum game. We want to see overachievement in every game, until the final, it said.

Indonesia asked the EU how it arrived at the 30% emission reduction scenario? By a top down or bottom up approach?

The **EU** said that it believed that Annex I Parties should reduce their emissions by 30% (by 2020 on 1990 levels).

The Co-Chair, Jurgen Lefevere from the EU, summarized that Parties had suggested converting all the pledges to 1990 levels, comparing the pledges to the first commitment period, and providing numbers on the actual use of surplus AAUs, CDM and JI, and what domestic efforts are. He informed the group that the suggestions for further work will be taken up next week.

The Co-Chair informed the group that on the issue of a common space to discuss emission reductions by Annex I countries, the Chair of the AWG-KP, John Ashe has met with the Chair of the AWG-LCA, Margaret Mukahanana-Sangarwe and they will consult informally with Parties on this issue the following week.

On **Friday**, Parties discussed the Secretariat’s technical paper on *‘Issues relating to the transformation of pledges for emission reductions into quantified emission limitation and reduction objectives’* (QELROs), and expressed further views on the next steps.

Micronesia, on behalf of AOSIS suggested that real country examples would be useful, and options which produce the most ambitious outcomes. It said that it was not possible to prepare QELROs that use different base year, and so a common base year should be used. We need to know very clearly what these choices imply for overall ambition, it said. The selection of the starting point is very important, as it gives a sense of how other options relate to the primary option. AOSIS is of the view that a five-year commitment period is appropriate. Its position is for a 45% reduction by 2020 below 1990 levels. The gap

that needs to be closed is what the options yield against that goal.

Switzerland, supported by **New Zealand**, said that it was important to look at the impact of different starting points on individual and aggregate country emissions.

New Zealand, supported by **Australia**, emphasized that QELROs will be negotiated, and that outcome will be the binding commitment that will be taken. There needs to be a process to negotiate the QELROs, they are not simply arrived at through a formulaic process.

Russia agreed with New Zealand and said that the global economy is suffering a crisis, and is just starting to recover from the crisis. It is quite difficult to make assumptions and build an emission reductions trajectory right now. It is up to a country to choose how it is going to reach its target, and build its economy based on the target.

Bolivia called for a technical paper that will allow us to see what the pledges mean in terms of QELROs. It suggested taking into account four scenarios – QELROs for the first commitment period, the current level of emissions, a commitment period of five years, and a commitment period of 8 years, using 1990 as the base year. This will help illustrate what it means to choose between one scenario or another, and help move forward this discussion.

It also asked for information to be provided on what it means when it comes to individual commitments of Annex I Parties, also taking into account various emission reduction scenarios of 40%, 45% and 50%, taking into account the carry over of surplus AAUs, and LULUCF accounting rules.

Philippines said that the exercise so far is a bottom-up approach of pledges, and it wants a top-down approach for determining the aggregate emission reductions target. It said that the top-down approach should be reflected in the Secretariat’s document.

Japan said that it reserved all options and its position entirely on this issue, as the discussion was premature.

Brazil speaking for the **G77 and China** said that the Group’s position is for a 1990 base year, and for a five-year commitment period.

A table containing information requested by the Parties will be produced by the Secretariat by Tuesday or Wednesday this week.