

UNFCCC group Chair issues new draft for negotiations

Bonn, 2 August (Meena Raman) – A new text to “facilitate negotiations among Parties” has been issued by the Chair of the UNFCCC's working group following up on the Bali Action Plan.

The text dated 9 July 2010 will be discussed at the 11th session in Bonn on 2-6 August of the Ad-hoc Working Group on Long-term Cooperative Action (AWG-LCA). At the same time, the Ad-hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP) will also be meeting.

The Chair of the AWGLCA, Ms. Margaret Mukahanana-Sangarwe of Zimbabwe has prepared what she calls a second iteration of the text to facilitate negotiations among Parties which, according to her scenario note of 15 July reflects her sense of the progress made by the AWG-LCA at its tenth session, which took place in Bonn on 1-11 June.

The 9 July text (document FCCC/AWGLCA/2010/8) has 9 chapters totalling 45 pages. It has re-installed several proposals or options of texts preferred by the developing countries, that had been deleted or omitted in the previous version of the text.

This previous version (dated 10 June) was sharply criticized by developing countries in the final plenary of the last session of the AWG-LCA in June. Many developing countries said it represented a major setback for them as it eliminated or ignored many of the proposals of the G77 and China and its members, while elevating the positions of the developed countries, particularly the “Umbrella Group” that includes the United States, Japan, Russia, Australia and Canada that have been advocating much looser international regulation over the emissions of developed countries.

The G77 and China had expressed “dismay” over the imbalanced 10 June text and it called for a rebalancing in the next draft, while a wide range of individual developing countries and their groupings attacked the text, including for its implied killing of the Kyoto Protocol, eliminating of equity considerations, obliging developing countries to

“peak” their emissions by 2020, and blurring the distinction between developed and developing countries in their requirements to register and report on mitigation actions.

Following the strong criticisms by developing countries, the new draft shows an improvement particularly in the sections relating to the shared vision and mitigation of developed country Parties. Some highlights of the new text are set out below.

Equitable access to atmospheric space

In relation to the section on shared vision, several developing countries had wanted the concept of “an equitable share in the atmospheric space” to be reflected in the context of a global goal for emissions reductions. This concept had been reflected in the Chair’s facilitative text of May 17, 2010 and the relevant paragraph read as follows:

“A long-term aspirational and ambitious global goal for emission reductions, as part of the shared vision for long-term cooperative action, should be based on the best available scientific knowledge and supported by medium-term goals for emission reductions, taking into account historical responsibilities and an equitable share in the atmospheric space.”

This concept was however removed in the June 10 text in Bonn and “equitable share” to atmospheric space was replaced with just “access to atmospheric space”, with the vital word “equitable” being dropped off.

The July 9 text has now reintroduced this important concept in its paragraph 2 which reads:

“Deep cuts in global emissions are required according to science, and as documented in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, with a view to reducing global emissions so as to maintain the increase in global temperature below [1][1.5][2] degrees Celsius above pre-industrial levels, and that Parties should take action to meet this objective

consistent with science and on the basis of equity[, taking into account historical responsibilities and equitable access to global atmospheric space].” (Emphasis added).

In addition, in order to avoid dangerous climate change in limiting the temperature increase, the May 17 text also reflected the call by developing countries for a “paradigm for equal access to global atmospheric resources” to be determined before an agreement can be reached on the temperature goal.

The May 17 text read as follows: “Accordingly Parties shall cooperate to avoid dangerous climate change, in keeping with the ultimate objective of the Convention, recognizing [the broad scientific view] that the increase in global average temperature above pre-industrial levels [ought not to] exceed [2 C][1.5C][1C] [preceded by a paradigm for equal access to global atmospheric resources].” (Emphasis added).

However, the latest 9 July text, while reflecting the need for “equitable access to global atmospheric space”, has not stated that a paradigm for this equitable access would precede agreement on the temperature limit to be achieved.

In April 2010, Bolivia had made a proposal on a methodology for achieving an equitable allocation of global atmospheric space between developed and developing countries. This has however not been reflected in any of the Chair’s text.

Further, on the issue of peaking of emissions, the June 10 text had provided for the peaking of global and national emissions by 2020, while recognizing that the time frame for peaking will be longer in developing country Parties. This was an issue of concern for some developing countries which were strongly against the notion that developing countries should peak their emissions by 2020.

In the new 9 July draft, the peaking of global emissions is to take place by 2020 at the latest, with the peaking of national emissions to be “as soon as possible”, recognizing that the time frame for peaking of national emissions will be longer in developing countries, bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries. The clause on “national peaking” has been removed.

Future of the Kyoto Protocol

A signification improvement in the new text relates to the mitigation commitments of developed countries and the future of the Kyoto Protocol.

Developing countries in Bonn in June had criticised the June 10 text for attempting to “kill the Kyoto Protocol” and for “merging the negotiations into a single-track” from the Bali-mandated two-track approach of the AWG-LCA and the AWG-KP as was the understanding under the Bali Roadmap.

This criticism was because the June 10 text did not explicitly provide for the continuation of the Kyoto Protocol through an agreement on its second commitment period (due to start in 2013).

Nor did the text refer to the need for comparable efforts to be undertaken by the developed countries that are not party to the Kyoto Protocol (particularly the United States); their commitment would be undertaken under the Convention

Previous texts from the work of the AWG-LCA as well as the May 17 text of the Chair provided for language that the developed countries who are Parties to the Kyoto Protocol would commit their emission-reduction targets under the Kyoto Protocol, while those who are not Parties to the protocol (i.e. the US) would make their commitments under the LCA. The relevant text in this regard from the Chair’s 17 May text was as follows -

“For those Annex I Parties that are Parties to the Kyoto Protocol, the quantified economy-wide emission reduction [objectives] [commitments] shall be those adopted for the second commitment period under the Kyoto Protocol inscribed in Annex B of the Kyoto Protocol as amended and also listed in Appendix [X] to this decision; for other Annex I Parties, the agreed economy-wide quantified emission reduction [objectives] [commitments] shall be those listed in appendix [X] to this decision.”

This clear language reflecting the two-track process was removed in the June 10 text. Instead, its paragraph 13 stated that “Developed country Parties commit to implement individually or jointly the quantified economy-wide emissions targets for 2020, to be submitted by these Parties in the format given in Appendix I; Annex I Parties that are Party to the Kyoto Protocol will thereby further strengthen the emissions reductions initiated by the Kyoto Protocol.”

This paragraph is similar to the language in the Copenhagen Accord. Many developing countries had expressed concern over this language and to the negative implication it conveys as to the future of the Kyoto Protocol.

The July 9 text in is an improvement over the June text. Its paragraph 17 now states: “[Annex I Parties that are

Party to the Kyoto Protocol will, with the targets referred to in paragraph 14 above, further strengthen the emission reductions initiated by the Kyoto Protocol. For those Annex I Parties that are Parties to the Kyoto Protocol, the quantified economy-wide emission reduction [objectives] [commitments] shall be those adopted for the second commitment period under the Kyoto Protocol inscribed in Annex B of the Kyoto Protocol as amended and also listed in Appendix [X] to this decision; for other Annex I Parties, the agreed economy-wide quantified emission reduction [objectives] [commitments] shall be those listed in appendix [X] to this decision.]

Another key issue that arose during the discussions in Bonn at the June session was whether and how an aggregate goal for emission reductions would be set for developed countries.

The Convention members are split on this issue. There are two major opposing views. The first approach is for individual national pledges to be made by Annex I Parties. This reflects the Copenhagen Accord approach.

In the second approach a top-down aggregate goal is set, and each Annex I Party would have an individual target which when added up would have to meet the aggregate goal. This is the approach that was agreed to be used in the current Kyoto Protocol process.

The developing countries are strongly in favour of the second approach, and are of the view that this Kyoto Protocol approach has to be followed. The developed countries have expressed divergent views. In the Bonn session in June, the European Union was in favour of an aggregate target to be set for Annex I Parties as a whole (including the US), proposing a 30% emissions reduction level by 2020 compared to 1990 levels.

In the same session, the United States did not refer to an aggregate target for developed countries. Its only reference of a “collective goal” was that of limiting temperature levels to 2 degrees C by 2050. Russia explicitly favoured a “bottom-up approach” where the collective goal would be arrived at by adding up the individual pledges of all developed countries

The June 10 text contained the Copenhagen Accord paragraph 4 of individual pledges for developed countries. However in another paragraph it provided for developed country commitments to be “made with a view to reducing the aggregate greenhouse gas emissions of developed country Parties by 25-40 per cent from [XXXX] levels by 2020.” What the text failed to do was to reflect the various options of developing countries for targets higher than the 25-40 per cent mentioned.

The developing countries criticised the 10 June text for omitting their proposed figures. These options are now provided for in the latest Chair’s draft in paragraph 18 as follows:

“These commitments are made with a view to reducing the aggregate greenhouse gas emissions of developed country Parties by [at least] [25–40] [in the order of 30] [40] [45] [50] [X* per cent from [1990] [or 2005] levels by [2017][2020] [and by [at least] [YY] per cent by 2050 from the [1990] [ZZ] level].”

Further, the July 9 text also provides for the long-term emission reductions of developed countries as a group to be “[75-85][at least 80-95][more than 95] per cent from 1990 levels by 2050] [more than 100 per cent from 1990 levels by 2040].”

The “more than 100%” option was a proposal by Bolivia to reflect the idea of “negative emissions” which was not reflected in the June 10 text which only provided for an 80-95% reduction from 1990 levels by 2050.

Another criticism of the June 10 text by developing countries was that it did not provide for mitigation efforts of developed countries to reduce their emissions to be comparable in terms of the “magnitude of effort”, although this was in the previous text of May 17 as well as the AWG-LCA text from Copenhagen and was a proposal advanced by G77 and China.

The July 9 text has rectified this problem by providing for the efforts of developed countries to be comparable in “magnitude/measure” of effort.

Finance

As regards the quantum of finance, the June 10 text reflected only what was in the Copenhagen Accord, which was not adopted by the Conference of Parties in Copenhagen. This text had stated: “In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilizing jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries. This funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.”

The July 9 text now has another option: “Developed countries shall make assessed contributions of 1.5 per cent of the GDP of those countries a year by 2020 to support enhanced action on mitigation and adaptation, technology development and transfer, and capacity-building in developing countries.”

This is a proposal from the G77 and China made in Bonn in June. It was not reflected in the June 10 text but is now in the July 9 text and is hence an improvement.

It must also be noted however that the African Group in Copenhagen had proposed the sum of 5% of the Annex 1 GNP, while Bolivia had called for at least 6% of the GNP of the developed countries.

In addition, the African Group in Copenhagen had also proposed that “fast-track financing between 2010 and 2012 of at least USD400 billion shall be made available by developed countries Parties to developing countries. An equivalent of US\$ 150 billion worth of Special Drawing Rights shall be issued by the IMF as partial fulfillment of this undertaking by developed countries.”

These proposals were not reflected as options in either the 10 June or the 9 July texts.

Market instruments

On one issue (the market approach) the latest 9 July draft has put in new text that was not in the 10 June draft, and which may become the subject of controversy.

The 9 July draft contains a chapter on “various approaches, including opportunities for using markets...” with regard to mitigation actions. It contains several new proposals which can be expected to be met with concern by many developing countries. This chapter has been very controversial during the course of negotiations even until and at Copenhagen.

All the previous texts of the AWG-LCA to facilitate negotiations since Copenhagen had two sections – one on “non-market based approaches” and the other on “market-based approaches”, including an option under the “market-based approaches” not to have a decision on the matter.

This was because several developing countries had expressed concerns about proposals by developed countries to migrate issues regarding carbon trading and carbon markets which are under the remit of the AWG-KP into the AWG-LCA. Their fear was that this attempted “migration” is to prepare the ground for transferring elements of the Kyoto Protocol that are important for the developed countries to the AWG-LCA and thus to the Convention, and therefore to prepare the ground for doing away with the Kyoto Protocol without losing its valuable parts. The developing countries also had concerns about new proposals by developed countries for a global carbon market with new mechanisms.

At the Bonn session in June, there was a “spin-off group”

to discuss the issue of the “various approaches”, following which the Chair has presented the significantly new text that has serious implications for developing countries.

Firstly, there is no longer any distinction between non-market based approaches and market-based approaches, thereby removing any obvious separation of the two distinct approaches. The current formulation has opened the road to laying the foundation for breaking the firewall between matters under the Kyoto Protocol and those under the LCA in relation to markets.

Secondly, there is use of the term “market instruments” which is not defined specifically and can therefore mean a wide category of instruments that includes tradeable permits under an international carbon market to carbon taxes, etc.

Developed countries, the EU in particular, have been emphasizing the need for an expanded global carbon market that goes far beyond the existing Clean Development Mechanism in the name of undertaking cost-effective measures, which are in effect offset mechanisms.

This chapter of the new text can be expected to be the subject of some controversy at next week's session of the AWG-LCA.

In a “scenario note” prepared by the Chair on the organization of the work for this session, it is proposed that “the AWG-LCA continue to work in a single contact group, which is open to all Parties and to observer organizations, and that this contact group launch spin-off groups to work on specific issues in the text.”

The Chair has also suggested that the work at the eleventh session focus on three tasks: “elaboration, integration and negotiation of consensus outcomes”. The scenario note says: “Elaboration is needed where elements in the text are lacking in specificity or clarity, and integration is needed where the elements are interdependent and inter-linkages need to be clarified. The final step is the negotiation of consensus outcomes. Some elements in the text are ripe for that final step while other elements still need to be further elaborated and integrated.”

The note adds: “The Chair will seek assistance from delegates to facilitate work at this session as needed. Progress made will be captured during the session by making draft texts arising from the work ... These draft texts would be included in the next iteration of the text to facilitate negotiations at AWG-LCA 12,” which will be held in China in October.