

Parties call for negotiations to begin on new text

Bonn, 3 August (Meena Raman) – Parties at the opening session of the Ad-hoc Working Group on Long-term Cooperative Action (AWG-LCA) under the United Nations Framework Convention on Climate Change (UNFCCC) expressed their willingness to engage in negotiations on the basis of the “text to facilitate negotiations among Parties” that was produced on the 9th of July 2010 by the Chair of the working group.

The Chair of the AWG-LCA, Margaret Mukahanana-Sangarwe of Zimbabwe had on July 9 prepared a new text to “facilitate negotiations among Parties”. (See TWN Bonn News Update 1 on highlights of the new text.) The AWG-LCA’s 11th session commenced in Bonn on 2 August and will conclude on 6 August.

Ambassador Abdullah M. Alsaidi of Yemen, speaking for the **G77 and China**, while appreciating the Chair’s efforts in producing a new more balanced text to facilitate negotiations, said that there remains the need to have a more balanced and equitable treatment of many issues therein.

“Nevertheless, with only two weeks of negotiating time left before the Conference of the Parties (COP16) in Cancun later this year, and conscious of the fact that the process of work must be party-driven, the Group stood ready to immediately fully engage in the process of negotiation on the basis of the text,” he said.

The G77 and China stressed that it could not afford to lose more time and thus, urged other Parties to likewise engage constructively with an equal sense of urgency, and start working with concrete text proposals drafted and reflected on the screen where all Parties can start negotiating.

Similar sentiments were expressed by others both from developed and developing country groupings

as well as individual countries. While expressing their willingness to engage in negotiations on the new text, countries also indicated their areas of concerns and wanted the negotiations to be a party-driven process where textual proposals will be advanced.

Ambassador Alsaidi for the G77 and China drew attention to the most recent flooding disaster in Pakistan and said that developing countries were experiencing daily, the adverse effects of climate change. He stressed that it was incumbent upon all Parties to the UNFCCC, to act and fulfill the mandate of the process that was launched in Bali, for the full, effective and sustained implementation of the Convention, through long-term cooperative action now, and not only up to and beyond 2012.

“Much work needs to be done in order to achieve a concrete, comprehensive and equitable agreed outcome in Cancun, which centers around the implementation of the Bali Action Plan (BAP), and is concordant with the provisions and principles of the Convention, in particular the principles of equity and common but differentiated responsibilities and respective capabilities,” added Alsaidi.

The Group also reaffirmed the centrality of the UNFCCC in addressing climate change, and stressed that the process of work must be open, party-driven, inclusive and transparent. This would include open and transparent consultations on issues involving all ongoing processes under the BAP.

While recognizing that negotiations on the main elements of the BAP are at different levels of maturity, the Group was cognizant of the close linkages of these issues and would therefore continue to work in a comprehensive and integrated manner, so that progress is achieved on

all issues, moving forward to a balanced and equitable outcome for Cancun.

The **Democratic Republic of Congo, for the African Group** welcomed the revised draft text of the Chair. It was not happy with all aspects of the text but believed that it is a balanced effort and represents an important step forward. The African Group believed that it was time for Parties to engage in direct and party-driven negotiation during this session and that this should involve a manageable number of spin-off groups negotiating the text rather than merely discussing the concepts underlying it.

The African Group was willing to consider using the Chair's text as basis for discussion towards further negotiation of a legally binding instrument under the Convention, recognizing that this was only one track of a two track process, in which the second track is the negotiation of the Annex 1 commitments for the second commitment period under the Kyoto Protocol.

DRC expressed Africa's willingness to engage with the Chair's text on the following conditions, viz. that there is a process that allows for enhancing the text and addressing the gaps and there be a separate chapter on mitigation and another for capacity building.

The African Group said that the section on 'shared vision' was much improved since the last version and this section has profound implications for Africa as it defines both whether Africa will survive (by keeping temperatures low enough and with support for adaptation) and whether the continent will develop (by securing its fair share of atmospheric space and associated finance and technology).

On adaptation, the African Group stressed that adaptation is an overriding priority for Africa and was concerned that the new text risks creating new commitments for developing countries, particularly as it relates to monitoring and reporting of adaptation actions.

In relation to the issue of mitigation, the African Group was strongly of the view that the Kyoto Protocol must continue and that all developed country Parties to the Kyoto Protocol must take a second commitment period. There can be no progress on the AWG-LCA without progress in the KP and there can be no progress within the

LCA on issues of nationally appropriate mitigation actions of developing countries (NAMAS) or measurement, reporting and verification (MRV) if there is no progress on finance, or on commitments, comparability and compliance of Annex 1 Parties that are not Parties to the KP. Further, it stressed that a firewall must be maintained between mitigation commitments of developed countries that are legally binding in nature and appropriate mitigation actions by developing countries.

On the issue of finance, on the new fund to be set up, the relationship between the trustee and the COP must be spelt out in a legally binding treaty instrument. It reiterated its call for an assessed contribution of 1.5% of the developed countries GDP with a balanced allocation for adaptation and mitigation. It said that the assessed contribution should be new and additional and not recycled ODA.

On technology, the African Group stressed the need to urgently address the issue of technology transfer, including through the identification and removal of all barriers to access climate related technologies, appropriate treatment of the issue of intellectual property rights, including the exclusion of patents on climate related technologies in developing countries.

Grenada speaking for the **Alliance of Small Island States (AOSIS)** said that it could work with new text as basis of the negotiations. It said that given the state of maturity of the text, it believed that it could engage with it and welcomed drafting groups. It called for progress to be captured with textual proposals of Parties which are acceptable to a broad group of Parties. It said that there was need clarity as regards the legal form of the outcome and this should be discussed in an open and inclusive manner.

It said that there was need for the determination of the aggregate numbers (for emission reductions) for all Annex 1 Parties without prejudice to the two-track process (referring to the work of the AWG-KP). Grenada also stressed that adaptation was essential for the Group and there was need for mechanism for loss and damage.

Lesotho for the **LDCs** said that the current text provides basis for negotiations. It stressed the importance of adaptation and called for more

elaboration of this issue in the first chapter of the text. It called for equal treatment of the issue of adaptation and mitigation. It said that levies from air transport and bunker fuels could provide additional financial resources. Lesotho called for preferential treatment of LDCs and SIDs as regards the need to undertake NAMAs.

Belgium speaking for the European Union said that the new text by the Chair provided a good basis for negotiations, although it had concerns with some proposals. It said that while Parties have to focus on options that are ambitious and that can deliver the deep emission cuts required by science, some of the options included in the text on mitigation are outside the realm of what is achievable.

The EU was also of the view that carefully crafted market mechanisms are efficient and effective tools that can supplement domestic emission reductions promote technology transfer and generate financial flows. It said that there was need to develop new scaled-up market mechanisms next to the ones that exist under the Kyoto Protocol.

It welcomed new text on MRV as a good basis for negotiations and hoped for progress towards further developing the rules for MRV and international consultations and analysis (ICA). The MRV and ICA are key to an effective architecture and there was need to develop guidelines that can increase transparency of developing country actions and that can secure developed country compliance with their commitments. The EU wanted Cancun to lay the foundation for a solid, rule-based MRV system.

On mitigation, the EU said that there was need to engage in a discussion on how to raise the level of ambition so as to limit temperature increase to a maximum of 2 degree C. It wanted the pledges (by Parties) to be brought into the formal process.

As regards finance, the EU called for further work in developing the financial architecture, making effective use of both the UNFCCC and non-UNFCCC institutions, improving the coordination of financial flows and developing the basic framework for the Copenhagen Green Climate Fund.

Australia, speaking for the **Umbrella Group** said that it was committed to achieving a durable, environmentally effective and comprehensive

legally binding post-2012 outcome. The Copenhagen Accord had laid the foundation of this agreement and Parties must build on the Accord to successfully conclude negotiations. To prepare for Cancun, it said that it will be essential to focus on those elements that will have operational effect.

On the text, the UG said that there are elements in the text that it appreciated and saw as basis for further negotiations. There were also elements that it would not be able to have consensus on and these should be set aside. It said that the shared vision section could be pared down to better capture the common vision and that the Accord provided a concise model that focuses on the long-term global goal for mitigation and adaption goals.

It welcomed the text on transparency and verification for developed and developing countries. It said that Parties must achieve agreement on an operational MRV framework in Cancun. A text that did not reflect all aspects of MRV and ICA will not be workable going forward from Bonn.

On mitigation, this area of text required revision. It said that all UG members as well as many other developed countries are willing to inscribe economy-wide mitigation targets in an environmentally effective and legally binding agreement that contains commitments from all major economies. The Accord provides a useful model for an agreement that reflects the mitigation efforts by all major emitters, it said. The Accord reflects mitigation targets and actions for all Parties with a common legal format and character but differentiated levels of effort. The mitigation efforts of individual developed and developing countries are recorded in separate appendices attached to a single instrument. In a future legal regime, all major economies, both developed and developing country Parties must take legally-binding mitigation commitments that have the same legal character. It said that there was need to explore methods for countries to move to higher levels of ambition to reflect changes in the world since 1992 and into the future.

Switzerland, for the **Environmental Integrity Group** also said that the new text provided a good basis for further work.

Russia stressed the need for an agreement that covered all major emitters and economies. It expressed disappointment with the text as in some areas, text was missing as in the role of forests, not just for developing countries but also for developed countries. It was also concerned that the continuity of using the market-mechanisms under the Kyoto Protocol was not reflected in the text.

Saudi Arabia said that while the new text was an improvement, there was need for all the elements of the BAP to be treated equally in chapter 1 of the text.

Brazil said that new text provided an adequate basis for work by Parties. It hoped that the spin off groups will engage on drafting exercise by Parties and not by the Chair or by facilitators. It stressed the need for a bottom-up text developed through exchange among Parties.

The **United States** said that it could work with the new text but it had to be a Parties' text where parties can introduce their own proposals. It expressed concern that the new text moves Parties away from the Copenhagen Accord. The text on MRV and ICA needed to be further elaborated. It could not accept elements of the text that relate to activities under the Kyoto Protocol as it was not a party to the Protocol.

In relation to domestic efforts in the US, it said that President Obama is not backing away from agreement reached in Copenhagen. The US will use all existing tools it has and success in Cancun did not hinge on the passing of comprehensive legislation in the US.

Egypt said that additional work is needed on the text and all are bracketed. It said that there were concepts in the text that were not consistent with the BAP or the Convention.

Pakistan said that the adjustments made in the text were a step in the right direction and ownership of the text should shift to Parties. It said that the nature and shape of the outcome is not important as it complicates discussions. The objective should be to establish understanding and

clarity on substantive issues. On the issue of 'vulnerability', Pakistan said that the text does not take into account the vulnerability of all developing countries.

China said that it was time for negotiations and appreciated the Chair's facilitative text which was a starting point for negotiations.

India said that the text did represent some advance but there was need for the necessary balance. It said that equitable carbon space remains a central concern for India and is key for global action. This must precede the articulation of a quantum for a long-term global goal (for emission reductions) and movement on aggregate reductions of emissions for Annex 1 Parties.

India said that developing country actions should be seen in context of voluntary actions and cannot be subject to an MRV regime that is more onerous and which is not according to the Convention. Attempts to introduce differentiation among developing countries and competitiveness concerns in an MRV regime will be problematic. It also said that Parties should desist from the idea of selective outcomes for expediency sake and must instead seek a comprehensive, balanced and equitable outcome.

The opening plenary was then adjourned and Parties then met as a contact group. The Chair then proposed the launch of spin-off groups. Following a heated exchange that went on for more than 2 hours between the Parties and the Chair on what the spin-off groups should be, the meeting was adjourned late evening on 2 August.

When the contact group resumed on 3 August, the Chair proposed the setting up of drafting groups on (i) mitigation, (ii) shared vision, (iii) adaptation and (iv) finance, technology and capacity building. During the week, the mitigation drafting group is to have 8 meetings; shared vision 3 meetings; adaptation 7 meetings and the fourth drafting group 8 meetings. Parties agreed to the proposal and drafting groups began their work.