



Disappointments cloud closing plenary of Kyoto Protocol working group

Bonn, 28 May (Fauwaz Abdul Aziz) – Expressions of disappointment over the substance and pace of the negotiations felt by developing countries clouded the closing plenary of the 17th session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) on 24 May, 2012, which was chaired by Madeleine Diouf-Sarr (Senegal).

The grievances ranged from the unresolved topics of the second commitment period (CP2), the length of the CP2, the mid-term review of commitment period reserve and overall ambition level, carryover of assigned amount units (AAUs), the submission of information over quantified emission limitation or reduction commitments (QELROs) and so on.

Ambassador Latifa Benazza of Algeria, speaking for the **G77 and China** said the CP2 to commence by 1st January of 2013 is central for a successful outcome of the 18th Conference of Parties and the 8th Conference of the Parties serving as the Meeting of the Parties in Doha and is an important pillar and the basis of the international, rules-based and legally binding regime to fight climate change under the top-down, equity and science-based framework of the Convention for the pre-2020 period.

The G77 and China took note of the submissions of QELRO's of some of Parties listed in Annex 1 to the KP according to the Durban decision (1/CMP.7) in order to enable the adoption of amendments to Annex B of the KP at CMP8.

The Group was concerned by the lack of clarity of those QELRO's with regard to the uncertainties relating to the conditionalities of some Annex I Parties and with the fact that the information submitted and related to QELROs are provisional until all applicable rules in

relation to some uncertain issues in the CP2 are addressed. The lack of clarity of the QELROs will not help the work of AWG-KP and it will create hurdles to a satisfactory outcome for CP2, said Algeria.

The G77 and China also expressed concern that certain Parties have failed to bring forward information on their QELROs and encouraged these Parties to commit at this session to participation in the second commitment period of the KP.

Increasing the level of ambition of Annex 1 Parties is crucial and that reports elaborated in developed countries show that those Parties could move to more ambitious pledges by 2020 below 1990 levels without a significant cost for their economies, said the Group.

The transition from the 1st to the 2nd CP is a key component of the whole balanced package of Durban outcome, stressed Algeria. It urged Parties to ratify the amendments to Annex B of the Protocol.

The Group called on Annex I Parties to avoid a situation that could create a gap between the 1st and the 2nd CP. It reminded Parties of the main mandate of the AWG-KP, which was one of the most important conditions to preserve the top-down and legally binding regime to fight climate change.

Access to the flexible mechanisms (Clean Development Mechanism) should be conditioned by the operationalisation of the second commitment period through its full ratification, it added further.

Similar sentiments of frustration were expressed by the Least Developed Countries (LDCs), the African Group, the Alliance of Small Island States (AOSIS), the Arab Group, Bangladesh and India.

Bangladesh said it most clearly when it spoke of being very concerned about the very critical and complex situation that had occurred in the very last stage of negotiations around the adoption of CP2. It said that in Durban, Parties agreed that the CP2 shall begin on 1 January 2013. There should be no ambiguity in this regard. But the progress made until today is frustrating. No agreement was reached on a number of critical issues. Some Parties have not yet submitted their QELROs for CP2. The aggregate level of ambition by KP Annex 1 Parties is unknown. There was no convergence on the length of the commitment period and base year. The other important issue around the provisional application of entering into force has been uncertain, lamented Bangladesh.

Speaking against moves to frustrate the rule-based legal instruments under the Convention that are creating serious negative impacts on our global climate regime, Bangladesh said it strongly feels that effective an Clean Development Mechanism (CDM) framework must continue to assist the sustainable development activities across developing countries, especially LDCs. Since fair distribution of CDM projects has not been met during the first commitment period, LDCs are eagerly looking forward to greater participation during the CP2.

Bangladesh said all of the countries know what the science says about global temperature rise and the catastrophic consequence of climate change on LDCs, SIDS and counties in Africa. For this reason, and to meet the ambition gap, developed countries must lead the global efforts in accordance with the principles and provisions of the Convention. Efforts must be made to salvage the multilateral process from serious mistrust and absolute lack of confidence plaguing the UNFCCC process.

Speaking on behalf of the **AOSIS, Nauru** said the work done over the past two weeks in Bonn did not progress as far as was hoped.

Swaziland, on behalf of the **African Group** brought to the attention of the plenary a number of grievances that had yet to be tackled:

- Not all Annex 1 Parties had submitted adequate, or any, information on QELROs, and the level of ambition remains far too low;
- Some Annex 1 Parties have still not decided on their participation in the CP2, putting into

question their commitment to address climate change;

- Resolving issues, such as the review of the commitment period reserve, the consideration of common metrics and the full implementation of decisions 2/CMP.7 to 5/CMP.7 have a direct bearing on the KP process. Yet, there is an attempt to delay progress on the resolution of these issues by way of their re-interpretation; and
- There are concerns over attempts by Annex 1 Parties to link the CP2 with other processes elsewhere (in reference to the ADP process).

Saudi Arabia spoke on behalf of the **Arab Group** to express disappointment with the slow pace of progress at the AWG-KP and the failure to reach agreement on a great number of important subjects that remain pending such as reaching the “absolutely critical” agreement on CP 2; the increase in emissions reduction cuts were tied to conditions by those countries concerned, and that countries were seeking to ‘benefit’ from the KP (through market-based mechanisms as CDMs) without commitments under CP 2.

Ecuador, for the **Bolivarian Alliance for the People of Our America (ALBA)** expressed concern with the lack of fulfillment and political will to fulfill the mandate placed upon Annex 1 countries and to lower their emission of GHGs and to increase their level of ambition. Describing the KP as the only real mechanism to lower GHGs and (thereby) guarantee for humankind a credible response, it said that only eight of the highest emitting countries have submitted their QELROS, and even that is still not enough to keep to the target of preventing the global increase of temperature to 1.5 degrees Celsius.

The report of the IPCC in 2007 stated that the emissions of developed countries have in fact increased.

Gambia spoke on behalf of the **LDCs**, saying that moves by certain Parties to delay their submission of QELROs due to “national circumstances is not acceptable.” “

India, expressed concerns with the low level of ambition show by some countries to reduce their GHG emissions and the lack of clarity in some of the information submitted on their QELROs. What is more worrisome, it added, was the

various conditionalities that were attached to the QELROs submitted.

India believed that the various outstanding issues relating to the appropriate length of the CP2, treatment of surplus units and carryover, associated legal and procedural issues, need to be resolved with due dispatch for smooth transition from the first to CP2. As regards the length of the KP's CP2, the requirements of the market confidence in the stability of the regime are important.

The way forward

On the way forward, many developing countries reiterated their positions with regard to the work that lay ahead between the present and the conference slated for December in Doha, Qatar.

Swaziland for the **African Group** highlighted several other areas for particular attention:

- A five-year commitment period to prevent locking in low levels of ambition, while moving to an eight-year period is acceptable only on condition that the countries concerned move to higher levels of ambition of the pledges, and a mid-term review that leads to further significant increases in ambition as the science requires;
- Adaptation remains a key necessity for developing countries due to the present extent of greenhouse gases in the atmosphere. AAUs should, therefore, be monetized for the capitalisation of the Adaptation Fund to balance environmental integrity with enhancement of adaptation resources;
- The legal status of CP 2 is not negotiable; a seamless entry into force of the CP2 must be assured;
- Annex 1 Parties should refrain from linking the CP2 with other processes elsewhere; and
- Whereas the consideration of KP issues are under the consideration of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), the decisions taken in Durban are not open for review.

Swaziland also voiced support for the organisation of an inter-sessional meeting in Bangkok to prepare for the year-end meet. The Bangkok session is an absolute necessity if we are to prepare adequately to finalise the CP2 in

Doha, it stressed.

Nauru, for **AOSIS**, said Parties must act now to strengthen the KP, to secure the continuation of the legally binding rules-based system and to enable reductions in greenhouse gas emissions at a scale and within a time frame to avoid the catastrophic impacts of climate change. Parties must conclude the work of the AWG-KP in Doha with the adoption of Doha amendments that establish five-year commitment period under the Kyoto Protocol to run from 2013 to 2017. In its' view, the ambition that Parties have brought forward is insufficient and cannot be locked in for an eight-year commitment period.

Nauru also laid out a number of tasks to be completed on an expedited basis in the months to come, each of which it said would impact on the environmental effectiveness of the CP 2.

Citing a presentation AOSIS had earlier that day at a contact group session AOSIS showed a number of rule-sets relating to QELROs of Annex 1 countries aimed at ensuring these commitments are on a clear trajectory towards achieving the ambitions of those countries (See section below 'AOSIS 'reopens' Annex B debate'), Nauru said there is a need for the AWG-KP to:

- Address the issue of surplus Kyoto units directly and decisively, on which issue AOSIS and others have provided proposals to help move it forward;
- Reflect the common understanding that the starting point for the translation of pledges to QELROs is the mid-point of the first commitment period;
- Simplify the structure of Annex B to allow for inscription of clear, unconditional, single-number QELROs for a five-year period;
- Clarify that units from any new market mechanism under the Convention may only be used within the Kyoto accounting framework if they have been scrutinised for environmental integrity; and
- Acknowledge that the compliance system of the Kyoto Protocol will apply to the CP2.

Gambia likewise urged all KP Parties to join the CP2, without unilateral or parallel systems outside the KP, which undermine the integrity of the multilateral-based international regime. There should be a cap on the carryover of AAUs, and a

certain percentage of the revenues from such should be transferred to the Adaptation Fund.

It also urged Parties to commit to the provisional application of the proposed amendments as an interim measure pending their formal entry into force, and to begin making appropriate arrangements at a national level so that Parties arrive in Doha with a mandate to make such a commitment. If Parties are not able to do so, they have to make a declaration at the CMP (Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol) to explain the reasons and take equivalent measures until they ratify and implement the CP2.

China, said Parties must work out a solution at Doha, otherwise the KP and such principles as that of common but differentiated responsibilities of the UNFCCC will be at risk.

Developed countries, it added, should take the lead in addressing climate change. On effecting a smooth transition from the 1CP to the CP2, and to avoid a gap between the two, China said it is open to all feasible options accommodating all legal and political options.

Representing the **Umbrella Group**, meanwhile, **Australia** called for greater appreciation of the value of the Kyoto Protocol's flexibility mechanisms as support for the Adaptation Fund, the mobilisation of billions of dollars of foreign investment and technologies for sustainable development in developing countries, and the for the delivery of real emissions reductions.

While the KP has played a part in securing the breakthrough achieved in Durban last December, it will also play a part in the outcome in Doha. However, with the CP2 covering only a fraction of global emissions, it was not the solution for the future. A CP2 alone could not help avoid dangerous climate change. It was only one part of the bigger picture, said Australia.

The **European Union** expressed disappointment in the failure to agree on the length of the commitment period during this Bonn session. Stating its position that the CP2 should be eight years, the EU said this would provide convergence with a new single agreement that should enter into force beginning 2020.

For the EU, the length of the commitment period is closely linked to other outstanding issues such as amendments to Annex B and the

carryover of surplus AAUs, and the lack of progress on the length of the CP2 period makes it harder to move forward faster on these issues.

At the conclusion of the plenary, the Chair said it was obvious that the negotiations these past two weeks had left a large number of issues incomplete, caused largely by the technical and political complexity of the issue as well as the fact that the meeting of the five bodies of the UNFCCC held concurrent meetings and numerous in-session workshops to make the work even more challenging.

Diouf-Sarr proposed that the 17th session be suspended so that work can be resumed at the next meeting immediately at the second part of the session. Explaining the situation with regards to the proposed Bangkok meeting, Diouf-Sarr said it had been planned to take place from 30 August to 5 September.

However, she explained, the matter of funding for the Bangkok remained under question. That question would only be answered next week, when the Secretariat will send a notification to Parties on the issue.

AOSIS opens Annex B debate

On the morning before the plenary on Thursday 24 May, AOSIS in the AWG-KP contact group meeting on Item 3 (Consideration of further commitments for Annex I Parties under the Kyoto Protocol) caused quite a stir when copies of its proposal on the amendments to Annex B was distributed, including to observers.

The AOSIS proposal included a table to replace the current table in Annex B to the Protocol, containing its prescribed QELROS commitments for Annex 1 and former-Annex 1 countries (ordered alphabetically from Australia, Austria and Belgium to the Ukraine, UK and the United States of America), based on a five-year commitment period (2013-2017).

Explaining its position, **St Lucia** for **AOSIS** said small islands and other vulnerable countries seek to respond in accordance with the enormity of the challenges posed by the climate change crisis, and has thus resulted in advocating for a commitment period for developed countries that was ambitious, unconditional and binding.

Japan, however, disagreed on both procedural and substantive grounds: The distribution of the proposal containing drastic changes to the

established format of Annex B brought about by consensus was not constructive to negotiations and would not be fruitful. Japan also suggested that the distribution of such a proposal in the public sphere would affect the state of negotiations.

Russia made a similar intervention and questioned the status of the documents prepared by the AOSIS. While it did not mind the tabling of proposals as part of internal “informal consultations”, Russia questioned their public distribution in spin-off groups by the Secretariat. It was not happy that this issue is opened for consideration with a broad audience... The distribution of documents may build a one-sided impression of the considerations that took place during this spin-off group. It objected to the “one-sided representation of discussions.”

The **EU** said that while it was happy that many Parties had submitted information on QELROs to allow for a technical debate on the matter, there were still Parties that had not done so. From the EU’s point of view, it was not helpful

to try to set new rules in terms of how to calculate QELROs. It is up to Parties to make propositions for their QELROs, and that should be basis for negotiations.

In support of the distribution of the AOSIS proposals, **Ecuador** said the circulation of the documents is not only normal for all Parties but was also the starting point for real reduction goals. Very few countries have presented QELROs, and those that have done so, demonstrated low ambition.

Bolivia, South Africa and **Ghana**, said the distribution of the AOSIS proposals among all participants would enhance the transparency of the complex processes taking place.

Commenting on the matter, chairperson Diouf-Sarr clarified that the documents under scrutiny by Japan, Russia EU and others was only made available for the information of all Parties and that there were no other objectives. Parties willing to have such documents can have it. Those not willing to have it are not obliged to have it, she said.