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AWG-LCA contact group reviews status of discussions

Bonn, 28 May (Hilary Chiew) – At the final contact group meeting of the 15th session of the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA) on Thursday, 24 May, proceedings were held till late evening as a number of developed countries insisted that a workshop to clarify the mitigation efforts of developing countries must be continued.

The meeting was suspended for nearly two hours after AWG-LCA Chair, Aysar Tayeb of Saudi Arabia, requested the facilitator of the spin-off group on 'Nationally Appropriate Mitigation Actions (NAMAs) by developing country Parties' Dr Gary Theseira (Malaysia) to hold a brief informal consultation with interested Parties for an agreement on the possible scope for the workshop.

The contact group also heard updates from the facilitators of the informal spin-off groups dealing with issues tasked by the Durban decision (2/CP.17) on shared vision, mitigation of developed countries, mitigation of developing countries, REDD-plus (Reducing Deforestation and Forest Degradation and other forest-related activities) sectoral approaches and various approaches.

The contact group also heard from Tayeb on issues raised during the focused contact group sessions on adaptation, finance, technology transfer and capacity-building.

Mitigation of developing countries

In relation to the mitigation of developing countries, the dissatisfaction of Annex I Parties (developed countries and countries with economies in transition) started with the **European Union** saying that transparency is crucial and important to build trust and that it was deeply concerned over the imbalance in progress as regards the mitigation of developing countries. It compared the progress of work in mitigation efforts of developed countries where the need for further work had been identified, including the holding of a further workshop.

It therefore supported the option of having another workshop on the NAMAs of developing countries and said that transparency would help Parties to identify financial needs.

The **United States** said under the agenda item relating to mitigation of Annex 1, Parties seemed to move forward with a workshop and technical paper but was unclear of the way forward as regards the mitigation of non-Annex I Parties.

In his oral report to the contact group prior to the concerns raised by Annex 1 Parties, Theseira said in discussing the tasks mandated by the AWG-LCA decision (2/CP.17), there were divergent views on how to take the work forward in relation to the NAMAs of developing countries. Three options were put forward for further consultation as follows:

1st option – A workshop would be organised to further the understanding of the diversity of NAMAs. This workshop should be structured around the elements identified in paragraph 34 of decision 2/CP.17, including assumptions and methodologies, sectors and greenhouse gases covered, support needs and others with some Parties stressing on support needs. The establishment of panels on the different elements was also suggested;

2nd option – The Secretariat would prepare a synthesis report or compilation paper gathering the information provided by developing country Parties on their NAMAs through submissions or workshops. This paper could be structured around the elements already mentioned and should be used to provide input to the discussions at the workshop;

3rd option – Any future workshops would not focus on understanding the diversity of NAMAs or the elements of decision 2/CP.17, paragraph 34, but on other issues.

The oral report also outlined the other issues and proposals that may go beyond the strict understanding of the diversity of NAMAs, noting that there are divergent views on whether they should be addressed or not. These include;

- considering the diversity of NAMAs under the subsidiary bodies, to take place after the AWG-LCA finishes its work;
- developing guidelines for measurement, reporting and verification of support;
- work on the understanding of means of implementation;
- a process to assess the needs for support for the preparation and implementation of NAMAs, including technical, policy and institutional aspects, and on how to address these needs;
- a process to support the preparation and implementation of NAMAs, including a possible mandate to the Consultative Group of Experts;
- identification of capacity constrains to prepare and formulate NAMAs;
- definition of NAMAs;
- considering the matching of financial, technical and capacity-building support and NAMAs, including the role of the registry;
- discussing improvements to the registry based on a pilot phase;
- considering lessons learned on fast start finance to understand how to support mitigation actions.

The **United States** said the clarification it was seeking is what is the intended next step and that if there is no workshop for developing country Parties then it is not comfortable with a workshop for developed country Parties.

The EU and the United States were supported by the **Marshall Islands, New Zealand, Australia, Mexico, Japan and Switzerland,** citing balance between paragraphs 5 and 33 of decision 2/CP.17. Marshall Islands and Switzerland said there was some degree of convergence.

(Paragraph 5 asked developed country Parties to continue the process of clarifying their quantified economy-wide emission reduction targets in 2012 for further understanding of the associated assumptions and conditions related to the ambition of the pledges. Paragraph 33 asked developing country Parties to continue holding workshops, in 2012, in a structured manner to further the understanding of the diversity of mitigation actions noting different national circumstances and their respective capabilities.)

Mali speaking on behalf of the **Group of 77 and China,** said the Group is of the view that there is no convergence of views of having further workshops. It said there has been a number of workshops on the matter since Cancun (in 2010) and the Group felt if there is to be more workshops, they have to be structured and add value.

It further said developing countries already put their pledges contained in the document FCCC/AWGLCA/2011/INF.1, conditional on means of implementation such as finance, technology transfer and capacity building.

It reiterated that while the Group agreed to (limiting temperature rise to) 2°C and long-term finance of US$100 bil (a year by 2020), it would like to have clarity on the numbers from developed country Parties.

To achieve results, G77 suggested getting experts to clarify the report from the (High Level) Advisory Group on Finance and the G20 report on the sources and channels, and that future workshops be structured on those elements of funding and support to facilitate moving forward on this matter.

Tayeb said since there was no objection to workshop(s) but there were different views on what the workshop(s) should focus on; he asked Theseira to convene a brief informal consultation in the meeting hall.

Following the informal meeting, the contact group resumed with Theseira reporting that Parties have reached an understanding which will be posted that would read along this line: "The (contact group) agreed to have a focussed workshop on specific structure of NAMAs according to decision 2/CP.17 and pay special attention to focus on the support needs for NAMAs but not limited to it. Following that Parties will assess if the objectives are met and discuss what other mechanisms could be used."

China and India expressed their reservations, saying that while they support a further workshop on developing country NAMAs to focus on support needs, they did not want the workshop to lead to an assessment if the objectives of developing countries are met or on a discussion of other mechanisms to be used.

Tayeb said the concern could be addressed at the next stage after the workshop focusing on clarification of support needs found to be insufficient.

Earlier, Tayeb requested the various facilitators of the informal consultation groups to provide oral reports of their respective groups deliberations on the various agenda items.

Shared Vision

Zou Ji of China, the facilitator for the informal consultation on shared vision for long-term cooperative action reported that Parties presented ideas and views, and identified three options at the first meeting. At the second meeting Parties could not reach agreement on the options to move forward. The essential findings from the workshop on 'Equitable Access to Sustainable Development' were helpful for Parties to improve their knowledge on the concept of equity in developing a shared vision. (See TWN's Bonn Climate News Update No. 20).

Tayeb said some Parties suggested another workshop to help move the discussion forward.

Mitigation of developed countries

The facilitator of this group Andrej Kranjc of Slovenia said in the two spin-off group meetings on this matter, Parties raised a number of issues including the (emissions reduction) comparability of efforts by all developed countries as outlined in the Bali Action Plan, the need for common accounting rules including land use, land use change and forestry and the use of carbon credit mechanism, expression of targets in terms of tonnes, a compliance regime to meeting the target and linkages to MRV (measurable, reportable and verifiable).

He said all Parties agreed that the process to clarify QELRO (quantified emissions limitation and reduction objective) is essential to the understanding of accounting approaches and how Parties use them to measure the targets, and how the ambition gap should be addressed.

On suggestions for the way forward, he said Parties agreed to clarify targets in a structured workshop along thematic fields and to organise discussion around specific questions provided in advance, adding that there is also agreement on the usefulness of updating the technical paper to incorporate additional information provided by Parties. Those Parties that have yet to do so are encouraged to do so in accordance to paragraph 5(a) of Decision 2/CP.17 .

[Paragraph 5(a) reads as follows: "Submission of relevant information by developed country Parties, using a common template, to the Secretariat by 5 March 2012 to be compiled into a miscellaneous document".]

He said there were differing views on whether the update should be preceded by further submissions by Parties in a common template by the Bangkok meeting (end August).

REDD-plus

Facilitator Yaw Osafo of Ghana said many Parties preferred financing REDD-plus activities using a variety of sources including market and non-market based mechanisms. Some Parties also felt that greater consideration should be given to non-carbon benefits of forest. Others said public funds for phase one and two of REDD-plus is preferred.

Since the fast-start finance ends this year, he said Parties also sought greater clarity, adding that long-term finance needs to be assured and several Parties also called for a specialised window for REDD-plus under the Green Climate Fund.

Parties also requested for a technical paper to provide clarity on these issues and that the workshop to be organised should consider activities and experiences learnt from REDD-plus readiness projects including co-benefits and not merely carbon benefits.

Some Parties also suggested that the mandate of REDD-plus decisions be transferred to the Subsidiary Body on Implementation (of the Convention) as well as the Ad Hoc Working Group on Durban Platform for Enhanced Action (ADP) when the AWG-LCA ends this year.

Sectoral approaches

George Wamukoya of Kenya, in reporting on 'Cooperative sectoral approaches' said Parties felt the general framework (for the approaches) should not inhibit investments. He also said Parties recognised the role of the United Nations specialised agencies – the International Civil Aviation Organisation and the International Maritime Organisation – that deal with technical and operational matters but emphasised the importance for the UNFCCC to send signals to them that their handling of these sectors must enhance inclusiveness.

Various approaches

Facilitator for various approaches, including opportunities for using markets, Alexa Kleysteuber of Chile said Parties exchanged views on the proposed framework in the workshop and informal group meeting.

She said Parties focussed discussions on the elements set out in paragraph 79 of decision 2/CP.17 as well as a dedicated space for non-market mechanism that countries are developing and implementing.

She also said there was a general understanding that a significant amount of further work needs to be done this year and, Parties and observers are invited to submit further reviews on paragraphs 80 and 84 decision 2/CP.17 by July 6.

[Paragraph 80 requests the AWG-LCA to conduct a work programme to consider a framework for such approaches with a view to recommending a decision to COP18 (in Doha) while paragraph 84 requests the AWG-LCA to conduct a work programme to elaborate modalities and procedures for a new market-based mechanism.]

Lessons learnt were suggested to be included for focussed discussion as well as through the workshop.

Economic and social consequences of response measures

Tayeb reported that while Parties agreed that discussion on this matter is important, they differed on whether there is further work for the AWG-LCA in this area. Many felt issues were not fully addressed by the AWG-LCA, including proposals made earlier in document CRP39 (outstanding issues in Durban) while others argued that all work had been completed under the AWG-LCA.

On the role of the workshop mandated by decision 8/CP.17 (in relation to the Forum on response measures), he said some argued that the Forum is for enhancing understanding but does not provide space for political decisions while others argued that the Forum is the place for all discussions on response measures.

Tayeb said Parties can continue to make submissions on any issues related to response measures if they wished to do so.

On the issue of unilateral trade measure, Tayeb said some Parties stated that since response measures were taken with the objective to combat climate change, therefore, the UNFCCC is the appropriate place to discuss unilateral measure while others felt the World Trade Organisation is the most competent fora for this matter.

India reminded Parties that it had made a statement during the focused contact group session on this issue, that it together with **Argentina, the African Group, China, Saudi Arabia, Qatar, Kuwait, Egypt, Algeria, Venezuela, Iraq, Thailand, Philippines, Libya, Iran, Malaysia, Indonesia, Nicaragua, Cuba, Bolivia** call for continued discussions on this element of the Bali Action Plan, and to have a spin off group.

[The statement stressed that the AWG-LCA is the negotiating group to establish political parameters to enhance the full, effective and sustained implementation of the Convention, in accordance with the Bali Action Plan. The Forum (on response measures) has a specific mandate to improve the understanding of economic and social consequences through the implementation of a work programme, and not for negotiations. The response measures are taken with the primary objective to combat climate change, and therefore, this relates to the UNFCCC, the fora for climate change- related issues. In this sense, we need to continue addressing in the AWG-LCA unilateral response measures that may have consequences on economic and social development of developing countries. The issue of economic and social consequences of response measures has social dimensions that we need to further discuss and establish further parameters in the AWGLCA, as the just transition of the workforce, the creation of decent work and quality jobs in the context of climate change.]

India requested that the submission be included in the Chair's report and wanted feedback from Tayeb on how to move forward on this issue.

In reply, Tayeb said he had indicated that there is an open invitation to make submissions and they will be made available on website together.

Argentina informed Parties that a submission would be made on behalf of all countries referred to by India (which also includes Ecuador) on the issue of unilateral trade measures.

Adaptation

Tayeb reported that a number of issues were identified under the informal consultation group on adaptation with divergent views on how to address them. Among the issues are the financial gap between 2013 and 2020, transparency of finance, interlinkages of finance with the institution (referring to the Green Climate Fund), National Adaptation Plan of Actions for non-Least Developed Countries, risk management and risk reduction strategies, means to address loss and damage and ways to strengthen the catalytic role of the Convention in encouraging multilateral bodies, the public and private sectors and civil society as a means to support adaptation.

He said in addition to recognition of the general achievements, Parties reflected on the extent to which these achievements had sufficiently addressed those issues. Among the achievements are the Adaptation Committee, the loss and damage Work Programme etc. While some Parties (referring to Annex I countries) are of the view that all elements as per the Cancun (2010) and Durban (2011) outcomes have been addressed, developing countries highlighted that actions remained insufficient and there was need to identify the clear role of regional centres, means of implementation in accordance with the Convention and finance for capacity-building.

Technology

On enhanced action on technology development and transfer to support action on mitigation and adaptation, Tayeb said Parties continued to argue on whether the AWG-LCA or other fora like the World Intellectual Property Organisation (WIPO) or the World Trade Organisation (WTO) is the right place to discuss issues surrounding intellectual property rights.

He said some Parties highlighted the possibilities of sending a signal to WTO and WIPO in relation to climate technologies.

Finance

On finance, Tayeb reported that concerns remained among developing countries about the gap between 2012 and 2020 and the commitment to the US$100bil a year by 2020 but he said developed countries assured that there will be no gap and reassured commitment to the US$100bil.

Concerns about long-term finance surrounds clarity of sources, access modalities, general timeframe and clear pathway for scaling-up finance and the adequacy of US$100bil were raised. Others said long-term finance is being taken up by the work programme which provides for appropriate framework and that the outcome of the work programme will be captured and presented at COP18 (in Doha by the end of the year) which will be ready six weeks prior to the COP.

Regarding fast-start finance, Tayeb said some Parties queried if it complied with the principle of new and additional funding and called for some form of assessment and emphasised on important lessons learnt from its implementation.

Other matters include the interlinkages between finance and different components of the financial mechanism, MRV (measuring, reporting and verification) of support and funding for biennial update reports (for developing countries), funding for meaningful mitigation, and funding for adaptation for LDCs and non-LDCs.

Capacity-building

Tayeb said some Parties expressed views that the AWG-LCA does not need to reconsider capacity-building as the agreement at Durban was for a forum which took place in Bonn and would address substantive issues.

Highlighting the cross-cutting nature of capacity-building, he said Parties noted that it required further consideration that can be addressed by the Subsidiary Body of Implementation. Other Parties said while the forum provided the space for a rich discussion, it did not provide a valid assessment of the needs. Therefore, there was need to identify indicators in this regard.

On the way forward, Tayeb asked the Secretariat to make summaries of all the informal consultation groups and make them available on the website and that these summaries do not have a formal status but are merely for reference for future discussions. He said there were proposals for Parties to make submissions on outstanding issues and that there is an open invitation under the AWG-LCA to provide views and proposals on the Bali Action Plan. However, he urged Parties that wished to make submissions to focus on concrete proposals rather than making submissions of a general nature.

He also reported that there were suggestions from discussions held on the issue of various approaches, including opportunities for using markets and a request for the Secretariat to prepare a technical paper that draws from presentations and discussions at the workshop and meetings of the informal group.

To this, **Ecuador**, the coordinator **for G77/China** on this item, said the technical paper should provide clear guidance and that although there were productive discussions about the work programme, the sequence of it remained unclear and there was no consensus yet to move forward with the proposed list of potential elements of a work programme drafted by the facilitator of the group and this required further guidance from the AWG-LCA Chair.

(In the informal group on various approaches meeting in the morning, several developing countries like **China, Brazil, India, South Africa, Bolivia**, and **Bangladesh** stressed that there must be clear guidance on sequencing the political and technical aspects in this matter.)

Tayeb noted the request to include the specification of the technical paper, adding that it is up to Parties to decide on how the work programme should be conducted. In reply to Bolivia, he said the Secretariat tried not to be specific on the in-session workshop as there is still lack of clarity of the whole session and what shape it might take and would like to leave space for flexibility.

Bolivia further suggested exploring the relationship between REDD-plus with non-market approaches as a balanced approach to which Tayeb said the oral report on this agenda item will be updated to include what Bolivia had just raised.