TWN 7
Bangkok News Update
www.twn.my
Published by Third World Network
1 September 2012

No to termination of AWG-LCA until work under Bali Action Plan completed

Bangkok, 1 Sept (Kwesi Obeng) – A number of developing countries expressed strong views that the Ad Hoc Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) should not be terminated until its work under the Bali Action Plan was completed.

This view was expressed at the opening plenary of the informal session of the AWG-LCA held on 30 August in Bangkok.

Developed countries on the other hand, including the Umbrella Group and the European Union, were of the view that the AWG-LCA should terminate its work in Doha, citing the decision reached in Durban last year. There also stressed that the unresolved work should not automatically be transferred to the Durban Platform Working Group (ADP).

This basic difference in the view of the status of work under the AWG-LCA has played out in every discussion since then.

When the AWG-LCA Chair, Aysar Tayeb (Saudi Arabia) outlined the work for the Bangkok session during the 30 August plenary session, he said a lot of effort has gone into putting the session together. Parties, he noted, left Bonn (in May) with uncertainty. He therefore thanked all Parties who have contributed to making this meeting possible. He said the AWG-LCA had two main objectives. A key objective is to develop textual basis for an AWG-LCA outcome that will be finalised in Doha. This is a critical milestone on the way to Doha (where the 18th meeting of the UNFCCC Conference of Parties will be held).

Earlier in May in Bonn, the Chair said, Parties agreed an agenda for work. Work started on different streams with specific mandates from Durban. He said Bangkok is the place to advance substantively on the AWG-LCA's work.

To help facilitate the work and achieve these objectives, the Chair said he has prepared two documents –a matrix on each area of the agenda, aimed at providing an overview of issues from the Bali Action Plan mandate and the progress made in Cancun, Durban and further steps either taken or envisaged.

The second document is informal notes to serve as a facilitative tool as it captures some of the exchanges that took place in Bonn. He pointed out that issues on the LCA agenda have reached different levels of maturity. Some issues for example have already developed to the stage where options are being considered while others are the exploratory stage.

There will be a mid-sessional review to assess the state of talks on all the issues either on Saturday (1 September) or Monday (3 September), the Chair said. There will also be workshops in Bangkok on REDD+ financing, two workshops on framework for various approaches and on new market based mechanisms and two on mitigation. There will also be an informal wrap-up plenary.

Parties in their statements expressed their expectations and concerns.

The **Democratic Republic of Congo** spoke on behalf of Algeria, Argentina, Bolivia, China, Cuba, Ecuador, Egypt, El Salvador, India, Iran, Kuwait, Malaysia, Mali, Nicaragua, Philippines, Saudi Arabia, Sri Lanka, Sudan, Thailand, and Venezuela.

It stressed that the agreed outcome under the AWG-LCA must reflect all the elements of the Bali Action Plan in which agreements on long-term cooperative action on adaptation, mitigation, finance, technology transfer, and capacity building are reached in a coherent and integrated manner. Only such an outcome would it enable movement forward expeditiously on the new process that launched under the Durban Platform.

The LCA should evaluate the remaining work that needs to be done under the Bali Action Plan to determine what can be achieved up to and beyond Doha, and to identify the issues that continue to be outstanding in order for us to deliver on an agreed outcome and conclude our mandate under the Bali Action Plan.

The DRC highlighted some key unresolved issues under the AWG-LCA that need to be addressed with great urgency. On shared vision, we need to improve and deepen our discussion and understanding of the contextual elements upon which any discussion on the long-term goal for emissions reductions and global peaking of emissions should be based and predicated. These elements include, inter alia, equity; historical responsibility of developed country Parties; ensuring equitable access to sustainable development; clear long-term goals on finance, technology, adaptation, capacity-building; and other relevant economic and social factors such as unilateral measures, intellectual property rights, economic and social consequences of response measures, rights of Mother Earth, and other elements.

On Annex I mitigation under paragraph 1(b)(i) of the BAP, it stressed concerns that the issue of the comparability of mitigation efforts among Annex 1 Parties, increasing the level or targets and ambition, common accounting rules is being marginalized, and this concern is heightened by what seems to be a clear unwillingness on the part of many Annex 1 Parties to commit to scaled up quantified emission reductions targets that go beyond what they have already pledged pursuant to decision 1/CP.16. Enhancing mitigation ambition pre-2020 is predicated on such ambition being reflected in having Annex 1 Parties to the Kyoto Protocol commit to ambitious targets for the second commitment period under the Kyoto Protocol and for Annex 1 Parties that are not Parties to the Kyoto Protocol to make enhanced comparable targets under paragraph 1(b)(i) of the Bali Action Plan.

In relation to cooperative sectoral approaches and sector specific actions, there is a need to continue the work on this issue to fulfill the mandate of the Bali Action Plan to enhance the implementation of Article 4, paragraph 1(c) of the Convention, in the field of the development and transfer of technologies in all the relevant sectors. In this respect, there is a need to make progress in the general framework for sectoral approaches and to advance the treatment of international aviation and maritime transport, in order to reach a multilateral understanding on this issue consistent with the principles and provisions of the Convention, in particular CBDR, in opposition to unilateral solutions that clearly undermine the spirit of international cooperation.

On economic and social consequences of response measures, we must continue discussions in order to give full consideration to what actions are necessary to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures. We have a mandate to reach an agreed outcome from the Bali Action Plan to enhance the full, effective, sustained implementation of the Convention, including in relation to economic and social consequences of response measures. Moreover, the AWG-LCA is the negotiating group to establish political parameters, while the Forum (on response measures) has a specific mandate to implement a work programme, and is not meant for negotiations. In addition, response measures are taken with the 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 AWGLCA unilateral response measures that may have consequences on economic and social development of developing countries, as well as social issues such as the just transition of the workforce.

On finance, there was grave concern that there continues to be no commitment on addressing the funding gap between 2012 and 2020 as well as the MRV of support provided to developing countries. In this context, it is important to initiate a process or agree on the need for rapidly announcing financial contributions to the Green Climate Fund from Annex II Parties. There are many issues also remain pending, including strengthening links between the provision of climate finance under the Convention and the NAMAs and adaptation actions of developing countries; drawing up lessons through this inter-governmental process from the experience in the administration of fast-start finance especially for the long-term climate finance; detailing the arrangements between the COP and the GCF;

the provision of funding for the implementation of biennial update reports; and funding for National Adaptation Plans.

On adaptation, in line with the Bali Action Plan, it stressed that there are several issues of the highest priority to developing countries that still need to be addressed, such as vulnerability assessments, financial needs assessments for adaptation and the support for urgent implementation of adaptation actions. It is crucial to ensure that we continue discussing this issue in the AWG-LCA to pursue means of implementation, which will be very important towards addressing the urgent concerns and immediate needs of developing countries.

On technology development and transfer, the issues include addressing possible barriers to technology transfer, including IPRs; operationalizing interlinkages between the Technology Mechanism with the UNFCCC's financial mechanism; further clarifying the relationship between the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN); and defining the additional functions of the TEC.

On capacity building, while the establishment of the Durban Forum on Capacity Building has been a welcome development, there is need to develop effective and operational indicators and evaluation modalities for the purpose of assessing the performance and impacts of capacity building activities supported by developed countries in developing countries in terms of improving the capacity of developing countries to implement the Convention.

On review, it underscored the importance of ensuring that the scope of the review that will take place from 2013 to 2015 explicitly encompasses an assessment of the extent of implementation of the Convention as part and parcel of assessing the adequacy of the 1.5-2C range goal and the overall progress to achieve it. Additionally, given the need to ensure that the results of the review provide a strong political basis for moving forward together after 2015, the review itself must be conducted by Parties through the SBI and SBSTA.

In the context of our work, DRC said there must be no space for unilateral actions that tend to damage the confidence among parties and weaken our collective response to climate change.

The DRC said that the work of the AWG-LCA was extended by paragraph 1 of decision 1/CP.17 until an agreed outcome is reached, at which time the AWG-LCA then terminates. Much work still remains to be done in the AWG-LCA in the run-up to Doha in order for us all to be able to deliver a comprehensive, integrated, and coherent agreed outcome in accordance with the mandate given to us by the Bali Action Plan and subsequent COP decisions to ensure the sustained and effective implementation of the Convention.

It expressed deep concern at efforts to prejudge the termination of AWG-LCA in Doha without ensuring a successful agreed outcome on all elements of the Bali Action Plan mandate. Such an action would be contrary to the political agreements that we had reached in relation to decision 1/CP.17 to have a balanced and comprehensive package.

Algeria, on behalf of **G77 and China**, said Parties must ensure a smooth transition, within a comprehensive appreciation of work within the AWG-LCA and AWG-KP and to ensure a satisfactory result under the principles of the Convention including equity and common but differentiated responsibilities (CBDR) and respective capabilities and historical responsibilities of developed country Parties. For the G77 and China, mitigation is an essential part of a balanced and ambitious Doha outcome. However there is need for balance, both within mitigation and between mitigation and adaptation as well as finance.

The G77 and China reiterated that the main source for long-term finance should be public funds mobilized by developed countries without transferring finance burden to developing countries. This is to guarantee the adequacy and predictability of new and additional finance to mitigation, adaptation, technology development and transfer and capacity building costs in developing countries, and to redress the historical imbalance in financing for adaptation.

The Group expressed satisfaction at progress made in defining the modalities, composition and procedures of the Adaptation Committee, and urged its full operationalization as soon as possible through a three year rolling work plan to be adopted at Doha. The group also emphasised the need to ensure strong linkages and coherence with other institutional arrangements, in particular to the operating entities of the financial mechanism and the Technology Executive Committee and the Climate Technology Centre and Network.

Swaziland, speaking for the Africa group said nationally appropriate mitigation actions (NAMAs) should remain voluntary and reliant on appropriate support in terms of implementation especially finance, technology and capacity building. NAMAs should be carefully used to support development that will generate income to address underlying challenges such as poverty and food insecurity.

The group also called for progress in converting pledges to economy wide reduction targets by non-KP Parties in a comparable manner to the KP and an agreement to common accounting rules.

On finance, the group welcomed the Green Climate Fund Board and workshops on long term finance but pointed out that finance is still not effectively directed and circulated in a commonly accounted manner. Secondly, there is no clear funding projection for the period between 2013 and 2020. For Africa, adaption remains the top priority it therefore expects both financial and technical support to enable the region to implementation their adaptation plans.

The Africa group maintained its position that shared vision should not simply be defined narrowly as an emission reduction targets for keeping warming way below 1.5ºC and a peaking year but should also include critical pillars including not least a global cut in emissions in which developed countries take lead and burden sharing of remaining carbon space in a fair and equitable manner based on historical emissions and provision of means of finance. Critically, the group said, peaking should not suppress development in vulnerable developing countries and regions like Africa and should at least be by 2015.

Nauru, speaking for **AOSIS,** urged developed countries to honour their moral and legal obligation to take the lead in addressing climate change. It said developed countries need to raise emission mitigation commitments and provision of climate finance to enable developing countries mitigation actions to meet the temperature goal of below 2 degrees or 1.5 degree Celsius. Anything less would entail an unacceptable level of risk for small islands.

AOSIS reiterated that in 2011, global mean atmospheric CO2 concentrations exceeded 390 ppm-CO2, higher than any time in at least the last 800, 000 years and likely 5-10 million years. Even the wealthiest and most powerful nations such as the United States are not immune to climate change, adding that "in the US, at the end of July 2012, 64 per cent of the contiguous US was experiencing moderate to exceptional drought. The ramifications of this drought are global as food prices become less affordable."

AOSIS noted that the collective effort of all countries so far does not reflect the gravity and seriousness of these challenges as the gap between what is required to address the problem and what countries have pledged continues to widen even as promised finance remain unmet as well.

Ecuador speaking on behalf of **ALBA**, said developing countries insist on the need to fulfill all the components of the Bali Action Plan. Developed country parties have a debt with millions of people, species and ecosystems affected by climate change all over the world.

The group noted that the mitigation of developed countries is a critical issue still pending from the Bali Action Plan. Without a clear commitment from Parties that do not wish to act in the framework of the only legally-binding, rules-based agreement that exists to date and from those that have abandoned the Kyoto Protocol, comparability of efforts among developed country Parties will continue to be a major obstacle and attempts to arrive at a balanced outcome in Doha. It said if these concerns are not addressed properly, all other sincere efforts to resolve parties' differences will fail.

A direct consequence of this situation, is the fact that over 60% of Annex I Parties green house gas emissions are now outside the Kyoto Protocol, said Ecuador. They are not controlled under any UN multilateral agreement and will very likely escape any commitment for at least the next 8 years. It stressed that free riding should not be allowed to be an option.

ALBA reiterated that the Green Climate Fund cannot work without resources, emphasizing that developing countries need predictable, new and additional resources particularly from public funds. ALBA also called for the equivalent of t least 1.5% of the GDP of developed countries will be required to enable developing countries to adapt to climate change.

Egypt, speaking for the **Arab group**, expressed support for the LCA chair's approach to review what has been achieved in the implementation of the Bali Action Plan and decisions from Cancun and Durban to ensure that these decisions have been effectively implemented and to determine how to carry forward any uncompleted work.

Egypt called for systematic forum to discuss equity in order to further clarify relevant issues and unlock progress on other issues including an ambitious comments from Annex I countries to cut their emissions by 2017, 2020 or 2050 in line with science and their legal obligations. He said Parties have also yet to see clarity in relation to Annex I Parties' efforts and comparability as per the Bali Action Plan.

While parties have made substantial progress in the area of measurement, reporting and verification (MRV) especially as it relates to developing countries, further efforts are required to establish MRV and international assessment and review (IAR) arrangements for developed countries including means by which to ensure comparability of efforts and compliance by non-Kyoto Annex I Parties.

The Arab group expressed deep concern about the lack of progress in addressing the finance gap between 2012 and 2020 as well as to the MRV of support provided to developing countries. the group also renewed its call to prioritize addressing effectively the economic and social consequences of response measures, unilateral measures and intellectual property rights.

Gambia, speaking for **LDCs**, noted that great amount of work still remains to be done to meaningfully terminate the work of the LCA. It urged parties to work assiduously to enable the LCA to complete its work in Doha. He said LDCs attach great importance to the Bali Action Plan.

Termination of the LCA can only be down when parties have successful outcomes in BAP, Cancun and Durban anything short of this will be unacceptable to the LDC.

South Africa, speaking for the **BASIC** said there are additional issues that need to be addressed before the LCA could be terminated. These include additional issues relate to equity, intellectual property rights and unilateral trade measures which must be addressed in the LCA while issues of technical nature can be handled under the subsidiary bodies. There is urgent need to address issues on comparability of efforts and common accounting rules of developed countries. It is also critical for the full operationalisation of the institutional mechanisms including adaptation framework, finance.

Nicaragua, speaking on behalf of **SICA**, said the work of the AWG-LCA should reach an agreed outcome that in a comprehensive manner that includes all the pillars the Bali Action Plan. For SICA, a comprehensive agreement is a precondition for the conclusion of the Group's work. It also noted that the conclusion of LCA in Doha requires evaluation of the work achieved following the Bali, Cancun and Durban decisions. Issues such as long-term finance are still pending, and a satisfactory conclusion of this will create an atmosphere of trust drive and shape discussions under the Durban Platform.

Australia speaking on behalf of the **Umbrella Group**, sought clarification on the organisation of work. It said that Durban had set a clear direction to close the LCA at COP 18. The LCA will thus be terminated and no further decisions will be needed. Reflecting on discussions at Bonn, it said Parties did not reach consensus on every issue. It did not agree that texts were needed on all elements where there is no shared understanding or need for decisions. There should not an assumption that unresolved issues will be carried out under the Durban Platform.

The European Union said Parties came to Bangkok to make significant progress for effectively the LCA to rest. Key element of package ministers agreed in Durban will need to be part of balanced outcome in Doha. The EU said there was very little time left to COP 18 therefore there was urgent need to make progress on issues mandated by the Durban decision – clarifying mitigation pledges and designing new market mechanisms. It said not all elements need further work because of outcomes achieves in previous years and are being implemented already in other bodies. It urged Parties to avoid tying the LCA automatically to the ADP adding that decisions on closing the LCA should not hold back progress in the ADP.