

AWG-KP: No shift in low ambition, unresolved issues to go to ministers

Doha, 4 December (Fauwaz Abdul Aziz) – Developing countries continue to express deep concern over the low level of ambition in the greenhouse gases emission reduction targets of developed countries for the second commitment period under the Kyoto Protocol.

At the 3 December meeting of the Contact Group of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), Chair Madeleine Diouf-Sarr (Senegal) said Parties seem to have acknowledged that aggregate and individual levels of ambition need to be raised, but do not as yet agree on when and how greater ambition can be reached.

Bolivia said that while some Parties had described their QELROs as being the “floor” of possible pledges and not the ceiling, it is rather more appropriate to describe the QELROs as being “underground” in terms of the ambition needed.

(Quantified emission limitation or reduction objectives or QELROs for the second commitment period of the Kyoto Protocol have been submitted by the EU, Norway, Switzerland, Australia, Kazakhstan and Monaco.)

Diouf-Sarr presented her assessment on progress made so far, where several key issues have been identified to be presented to ministers for political decision making. She also pointed to her revised proposal to facilitate negotiations (FCCC/KP/AWG/2012/CRP.2).

This followed a report by co-facilitator Sandea de Wet (South Africa) on the spin off group on numbers reported modest progress while AWG-KP Vice-Chair Jukka Uosukainen (Finland) reported good progress in his informal consultations on issues including the provisional application of the second commitment period that currently has 3 options: opting out, opting in, and an implementing

decision. He said that these are not necessarily mutually exclusive.

All this took place at the Contact Group on item 3 (consideration of Annex I Parties’ further commitments).

In providing her assessment, Diouf said that most progress has been on legal continuity and operational continuity of the Kyoto Protocol between the end of the first commitment period (1CP) ending this year and the second commitment period (2CP) due to begin on 1 January, 2013. About 85-90 percent of the discussions relating to these two subjects had been completed and they were on their way towards resolution in time for presentation to the ministers by Wednesday, 4 December.

Legal continuity

The issue of legal continuity arises since it has been recognised that once amendment to the KP for the 2CP is adopted, it would take considerable time for Parties to ratify the amendments, resulting in a ‘legal gap’ between 2CP on 1 January 2013 and the entry into force of the amendments. While several options had been proposed by the negotiating Parties, these are getting “fewer and clearer” and would be more feasible – relative to the other issues to be resolved – to present to the ministers for their consideration, said Diouf-Sarr.

The options currently on the table are i) the amendments will apply provisionally on all countries except for those countries who cannot and, thus, will ‘opt out’; ii) the amendments will apply provisionally only on those countries, and who will thus make a declaration to ‘opt in’; iii) there will an implementing decision, whereby strong language would indicate that while there is a legal gap, all countries will be applying the rules and procedures of the KP as it comes into effect.

Operational continuity

Diouf-Sarr said that similarly, there is the matter of operational continuity, but which centers around the key issue of clarity in terms of the eligibility of Parties to access the flexibility mechanisms under the KP as of 1 January 2013. But while operational continuity as a whole has seen good progress and appears to have been 85 percent completed, the issue of eligibility for Annex 1 Parties that have not made 2CP commitments remains the most intractable, with views remaining considerably divergent and without any compromise option in sight. Diouf-Sarr's chart that she used for her presentation indicates less than 25% progress in the talks over eligibility. The issue of eligibility is also under negotiations at the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI).

It is most likely that the issue will have to be resolved by ministers working at the political level to make a decision on the topic, said Diouf-Sarr.

Carry over and surplus units

Another sticky issue between negotiators in the AWG-KP relate to carry-over and surplus of tradeable units – more specifically whether the current rules regarding carry-over will remain or whether some level of limitation on carry-over and/or surplus units will be implemented in the 2CP. While discussions on eligibility have emerged with clarity in some areas, there has been less clarity in other areas, with some agreement that non-Annex 1 can participate in the clean development mechanism (CDM) in the 2CP and that measures must be taken to enable their participation from 1 Jan, 2013. There are challenges related to the establishment of the assigned amount in the 2CP and the effect that this may have on the operations of Joint Implementation and international emissions trading has resulted in new textual proposals. The question of whether and how far Parties included in Annex 1 that have expressed their intention not to take QELROS during the CP2 remains, Diouf said.

2CP length, QELROs and ambition

Of critical importance to the negotiations by far, is the trio of issues relating to length of 2CP, QELROs – level of ambition in mitigation. According to Diouf-Sarr's chart, only slightly more than 50% of the work toward resolving this matter has been achieved at the negotiating with considerably divergent views on the issues – particularly on the question of how ambition is to be raised. Additional information from QELROS

have been received from most of Annex B Parties, with Belarus having provided a revised version of their numbers.

Diouf-Sarr said Parties seem to have acknowledged that aggregate and individual levels of ambition need to be raised, but do not as yet agree on when and how greater ambition can be reached. Provisional QELROs have been expressed in a range, but the chosen numbers were those in the lower end of that range, even if some Parties assert that the condition for more ambitious QELROs does not exist.

Following the presentation by Diouf-Sarr, the issue of ambition occupied a central concern in the interventions – particularly those of the developing countries.

The Philippines expressed deep concern about where the group stands in terms of movement and progress the search for a high level of ambition. Referring to Diouf-Sarr's chart, the Philippines said that it would like to see “that brown arrow reach the green box (with the words “full and final agreement”) as soon as we can, because the Kyoto Protocol is the fundamental basis for ensuring ambition in the whole climate change regime. The adoption of the 2CP, I would want to stress, was the key part of the Durban package, and other parts of the package would depend on this, and therefore, for all of us to reach that green box. There can be no further quid pro quo. Our call is unequivocal. No more conditions. No more delays.”

For the KP negotiations to arrive at that green box, the Philippines said that Parties must establish a ratifiable, legally-binding amendment to the Annex B, which must enter into force on the first day of 2013. This means the developed countries who commit themselves to the 2CP must undertake those ambitious targets, so that a high level of ambition can be achieved, so that the level of ambition becomes meaningful. Currently what is seen is a very low level of ambition, and it is equally important that those who would not commit to the 2CP must undertake comparable actions.

It said clarity on ambition would unlock other issues, though such clarity in pursuing that high level of ambition remains elusive. While there are key political issues that continue to be dealt with, the notion of bringing these issues to the ministers is something we must seriously reflect on. “The question in my mind,” said the Philippines, “is what will my minister think/say if I bring this picture to

her? What she will lament on is the poor level of ambition.”

Speaking on the “delicate” issue of carry-over and surplus of AAUs, the Philippines added that from the point of view of the Group of 77 and China, it is time for the rest to respond to this.

St Lucia for AOSIS said ministers of the Alliance of Small Island States had come to Doha specifically to see an increase in ambition. Citing a UN Environment Programme report and a World Bank report, St Lucia emphasised that the mitigation gap is increasing and that contrary to being on track to reaching any goals, the world is on track to missing the global goals that KP Parties had already adopted, and to missing the below-two-degrees target of temperature increases.

Citing the storms that had recently ravaged the island of Palau and is currently ravaging the Philippines, St Lucia said countries cannot sit here without an increase in ambition; it would not be responsible. Some Parties had actually dropped to the low end of their ambition ranges, which have led small island states to ask, “why is this? We already have pledge ranges from Parties that have a low end and high end. Clearly these Parties have already decided that they have a mandate to go to the high end of their pledge ranges. Why can’t they move to the top end of their pledge ranges here in Doha?”

St Lucia asked in earnest, “What conditions have not been met? Why is it that the EU, Switzerland and Norway say, ‘Thank you, but we will stick to the low end of our pledge ranges. Please tell small island states: What conditions have not been met? In our view, it is not responsible to leave here without an increase in ambition. So again, please explain. The issue of ambition frames this whole discussion, and that needs to be emphasised.”

Bolivia expressed concern about not seeing any real approximation of effort to have the clear numbers that are needed in the next commitment period in trying to avoid the dangerous temperature increases. In the name, or maybe under the excuse of trying to move into an operating mode, Bolivia said it felt the deeply technical discussions look like the Annex I Parties to the KP had forgotten that they must commit to ambitious QELROs.

While some Parties had described their QELROs as being the “floor” of possible pledges and not the ceiling, Bolivia said it is rather more appropriate to describe the QELROs as being “underground” in terms of the ambition needed.

Referring to the CDM, Bolivia said when many Annex 1 countries seek access to mechanisms without any obligation to reduce (their emissions) for the second commitment period, they want to have only benefits but with no responsibilities to the world. It reiterated its stand that access to the KP’s flexible mechanisms can be made available only to those Annex I Parties that have commitments under the second commitment period of the KP.

Brazil, Saudi Arabia and Bangladesh stated similar positions and stressed that significant divergence in some key issues still exist while the imperative is to resolve them by 5 December and to streamline clearer amendment texts before the ministers engage in political negotiations.

Bangladesh cited as being most important to its delegation the following: adoption of a ratifiable Doha amendment KP for 2CP as a key element of a balanced Doha outcome; the deeply dissatisfying and discontenting emission reduction targets described in Annex B; a rules-based internationally-binding 2CP as the major instrument for closing the pre-2020 mitigation gap; comparable efforts between Annex 1 KP and non-KP Parties and the inaction of the free-riders.

Australia said ambition is the broader question, because while the KP is significant in that it was the first international treaty that imposed legally binding emission reductions, the 2CP will cover only 4 percent of global emissions.

Noting that there is a process started in Durban that will look at ambition in a broader way under the ADP, Australia said what it has put on table is the floor, and it is prepared in time to “go up that ambition ladder” if its conditions related to how other countries also act, are met.

It also pointed out that while the common benchmark is that amendments come into force on 1 January next year, it is commonly known that that is not possible legally because three-quarters of the members of the KP are needed to ratify the amendments in addition to a further 90 days. So it thinks Parties need to set aside that particular barrier, and look at the pragmatic suggestion on how we do make sure that we have legal continuity from 1 January.

The EU recounted the actions it had taken to achieve its climate objectives domestically – even without LULUCF – and to close the gap domestically. Unlike when they left Kyoto (on conclusion of the KP), now the EU has domestic

legislation in place and they will start implementing on 1 January 2013.

This meeting is really about trying to save the Kyoto Protocol itself, and this is something we would very much like to see, said the EU. But this is only going to be possible if there are compromises; Doha is not the end of the road, but a milestone moving forward, so some of our decisions have to reflect what is going to come in the next year and the years thereafter.

The EU called on Parties to be pragmatic as there is no time, narrow options and provide clarity for ministers, mentioning specifically the issue of carry-off.

Norway also noted that the KP covers a small percentage of global emissions, and what matters is the overall the ambition level pre-2020 and beyond which is decisive, so it is not in the KP. When it comes to overall ambition, Norway said it is as concerned as others that the global emission gap is too large, and that collectively, the world is not doing enough. But when addressing the overall ambition gap, what is needed is a broader perspective than the negotiations under the KP alone.

We cannot close the ambition gap, it said, but a new commitment period under the KP is a significant contribution by securing legally-binding QELROs under a multilateral rule-based system for those 30 Parties that are moving forward. It stressed its strong commitment to deliver on this key part of the balanced package from Durban.

Adaptation Fund

On the Adaptation Fund involving credits from flexible mechanisms, **China** said that if there are no texts touching upon the Adaptation Fund, the decision of Adaptation adopted under the Marrakesh Accords would stand.

The EU said it wants to see definitely the continuation of CDMs as of 1 Jan 2013, because that is the link to the Adaptation Fund. It acknowledged that the Adaptation Fund at the

moment is not sufficient, and hoped that all Parties in the KP and those with commitments outside the KP will help developing countries set up adaptation programmes.

India said the question of the Adaptation Fund is important for vulnerable developing countries and that since the inception of 1CP, the requirement of a levy on CDM proceeds which, after taking care of administrative expensive, is a contribution to Adaptation. There are proposals for amendment that are relevant to KP, with Article 6 relating to application of a similar levy on the other flexibility mechanisms under the KP.

It urged that all Parties support these proposed amendments. While the EU's support for adaptation is certainly appreciated, and we hope more of the EU's resources will go towards governance and policy structure of the Adaptation Fund. But we also feel that the Adaptation Fund is too important a matter to be left to the discretion of legislatures of Annex 1 Parties and we feel it is important to have a large component of non-discretionary funding. Therefore, India supports amendments to Articles 16 and 17 which have to do with ensuring the other flexibility mechanisms contribute their due shares as the CDM does to the Adaptation Fund.

St Lucia said the AOSIS supports the two proposed amendments – one with regards to Joint Implementation and the other with international emissions trading. It also noted that there is a proposal for increase in the share of proceeds in flexible mechanisms to 5% – an increase on the CDM and extension of share of proceeds of flexible mechanisms more broadly. It is certainly time with regards to project mechanisms, to put them on an equal footing and we do see the value in having an automatic funding stream for adaptation, said St Lucia.

Parties continue to work in informal consultations and the spin off group on numbers throughout Tuesday into the night.