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US-EU disagreement over addressing mitigation gap

Durban, 1 Dec (Meena Raman) – Disagreements arose between the United States and the European Union on the issue of addressing the mitigation gap in the informal group meeting on mitigation commitments of developed countries under the Ad-hoc Working Group on Long-term Cooperative Action (AWG-LCA) held on 30 November.

The US was of the view that there was no agreement in Cancun on how to increase the ambition level of Parties and for a process to change the targets to address the ambition gap. The US also said that they was no agreement in Cancun on a common accounting framework for the mitigation targets.

Many Parties, including developed and developing countries underscored the need for increasing ambition and the need for common accounting rules.

The US stance provoked the EU to challenge the US.

Parties also had an exchange of views on how to proceed with the texts for negotiations.

The informal group was co-facilitated by Mr. Jose Garibaldi Fernandez of Peru and Ms. Karine Hertzberg of Norway.

The **European Union** outlined its key demands: (i) there was need to recognise that there was an ambition gap as regards mitigation. It wanted a process on how to narrow gap and to identify in the short term action to review this; (ii) on accounting framework, there was need to have a robust accounting system based on common rules, methodologies and tools; (iii) a process to continue to understand that pledges on a systematic basis, including the assumptions underlying them. This is not to question the ambition but to know where Parties were standing in relation to the 2 degree C temperature goal. This it said needs to be the three part structure of the draft decision

The **United States,** on the issue of increasing the level of ambition of developed countries (paragraphs 36-39 of the Cancun decision), said that the co-facilitators' summary included a long list of items on how to increase the ambition level and this could not be a basis for a decision text, as this was not agreed to in Cancun. (Many of the proposals came from the EU in this regard). The US said that there was no agreement to have a process for the changing of targets and to address the ambition gap. Parties had agreed to a long-term global goal but this is to be part of the review between 2013-2015.

On the issue of accounting as to how the pledges would be achieved as to the coverage of the gases, sectors, methodologies used etc, the US said that it was fully legitimate to be clear ex ante what this would be. However, in Cancun, there was no agreement on the need for a common accounting framework. There was need for transparency but this needs to be applied to all Parties. There is no reason for a different set of standards for different Parties.

In response to the US, the **European Union** said that it was provoked by the US as it appeared to say that for the outcome in relation to paragraphs 36-38, the US did not recognise the ambition gap as reported in the report of the International Energy Agency and wanted to wait for a review. It asked the US if it was saying that nothing can be discussed between now and 2013/2015 on how to close the gap. On the common accounting rules, the EU said that this was needed as it would help clarify the comparability of efforts and is linked to the issue of competiveness. It stressed the need for setting rules (in a multilateral way) for transparency, as unilateral rules can change. It wanted a robust system of monitoring to enable common and transparent rules.

(Paragraph 37of the Cancun decision states "*Urges* developed country Parties to increase the ambition of their economy-wide emission reduction targets, with a view to reducing their aggregate anthropogenic emissions of carbon dioxide and other greenhouse gases not controlled by the Montreal Protocol to a level consistent with that recommended by the Fourth Assessment Report of the Intergovernmental Panel on Climate Change;

Paragraph 38 states "*Requests* the secretariat to organize workshops to clarify the assumptions and the conditions related to the attainment of these targets, including the use of carbon credits from the market-based mechanisms and land use, land-use change and forestry activities, and options and ways to increase their level of ambition;)

In response, the **US,** referring to the Cancun decision, said that there was agreement to a workshop but not to a process to change the target or other measures simply for Annex 1 Parties. On its existing mitigation targets, the US said that there was no scope for changing that. The long-term global goal was not related to 2020 targets or a process to change them. On the accounting rules, the US said that its approach was based on the IPCC methodologies for all sectors. It used 2005 as the base year.

In response to the co-facilitators non-papers on biennial reports and international assessment and review (IAR), **Brazil** speaking for the **G77 and China** said that the non-papers allows for direct engagement by Parties to develop negotiation texts.

On the summary of views by the co-facilitators on the pledges of developed countries, their ambition level and the accounting framework, Brazil said the negotiating text in this regard requires political decision but this informal group should address such a text that can allow for the evolution towards a decision and not leave it to a high-level segment.

New Zealand said that an essential outcome is the call for enhanced implementation of targets and actions. There is language in the non-paper, which calls for the clarifying of pledges. It said there was need for a structured approach on common elements and particular areas for future work. It had proposed a prototype template, which relates to key facts underpinning the developed and developing country pledges. The purpose of the proposal was for more details for e.g. on what sectors are covered; gases, time-frames, metrics etc. It was not to standardize targets and actions and was not asking Parties to change their pledges. This could be linked the measuring, reporting and verification (MRV) of targets or actions.

Switzerland, speaking for the **Environmental Integrity Group** said it was important to recognise the mitigation ambition and the ambition gap and there was need for a process to foster an increase in the ambition. It suggested technical workshops in this regard and for COP 18, where this issue of ambition must be considered. It also wanted common accounting rules and clarity on the current pledges.

Australia supported the New Zealand proposal as regards the template in relation to the pledges. It also supported Switzerland on the issue of global ambition. On accounting, it supported a common accounting gold standard for transparency, which is for all Parties, recognizing that developing countries could have flexibilities.

Norway agreed with the EU on 3 elements as regards the mitigation and also supported the New Zealand proposal.

Mali, speaking for the **African Group** said it made concise textual proposals on ambition issues to understand the pledges and for common accounting rules for comparability of efforts. There was need to avoid a double accounting of emissions reductions and to ensure environmental integrity. On the IAR, the objective should also include the review of the provision of finance and technology transfer.

Bolivia raised concerns over the proposals in the non-papers relating to developed country mitigation and observed that the measurement, review and verification (MRV) proposals for developing countries were many while that for developed countries was light. On the issue of compliance, there was need to have clear language and rules to clarify how the pledges of developed countries are going to be converted to quantified emission reduction objectives and commitments as the non-paper did not reflect that. Also needed was a strict system of accounting and the IAR does not give security as regards compliance.

Marshall Islands, speaking for **AOSIS** said that ambition and addressing the mitigation gap was key. It said there was need to recognise the existence of an ambition gap, which needed to be quantified. The need for ambition has to be discussed at a high-level in a political way. It also stressed the importance of compliance.

South Africa said that establishing comparability based on assigned demands or carbon budgets was a critical issue. The carbon budget should be reflected in a legally binding form. It said that there was need to address the comparability of effort, comparability of compliance, multilateral review and accounting etc. On the biennial report, it said that it must be more rigorous than biennial update reports of developing countries, and was not an update of national communications.

China said that any proposal that links the mitigation efforts of developed countries to that of developing countries would be a change in the mandate of the Bali Action Plan and the Cancun decision and called for its rejection. It asked for all references to developing countries' mitigation and global efforts as regards the element of developed country mitigation should be removed from the text. On the pledges, the developed country pledge has to be converted to quantified emission reduction commitments and there was need for comparability of efforts. The accounting rules including that related to land-use, land use change and forestry, should be comparable with that in the Kyoto Protocol and should not be discussed under the AWG-LCA.

India said that the process of IAR, a review of the mitigation targets of Annex 1 Parties was needed. It also wanted accounting rules where comparability is ensured. On ambition, it said there was need for a process of defining the ambition gap, which has to be based on science and not politics.

Brazil, speaking in its national capacity, said biennial reports underline the issue of revision of national guidelines and a decision at COP 18 was needed. Biennial reports provide supplementary information. The IAR has to implement according to multilateral rules. The use of credits and LULUCF is important to ensure clarity to strengthen the regime. Compliance of IAR was important and so was comparability of efforts. On the IAR, there was need to harmonise this with existing processes under the Convention. It also agreed on the need for common accounting rules and ambition. The Cancun decision urged for additional ambition, which was crucial for the political balance reached.