

Divergent Views on “Various Approaches”

Durban, 5 Dec (Payal Parekh) – The Informal group on various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries under the Ad-hoc Working Group on Long Term Action (AWG-LCA) met on 5 December to discuss the amalgamation text of 3 December.

There were divergent views between developed and developing countries on whether to support Option 1 or Option 2 of the text. Option 1 is a streamlined text of one page that seeks to establish an *enhanced mitigation mechanism*, while Option 2 is a compilation of Parties’ text that is 16 pages long.

The Facilitator, Mr. Giza Gaspar Martins of Angola, stated that Option 1 represented the minimum common ground and is streamlined.

Papua New Guinea (PNG), speaking on behalf of G77 and China, said that Option 1 is different than the last text seen by Parties (on 2 December) and that the Option 1 presented in the (amalgamation) text is not well defined with parts missing.

The Facilitator clarified that most Parties prefer portions of Option 2 and invited Parties to comment on what should be included from Option 2 in a decision text in order to improve the minimum common ground.

PNG reiterated that the G77 and China did not want to work with that Option 1 text as it is a transformation of the previous version.

Saudi Arabia said Option 2 should be the basis for negotiation.

Angola, speaking on behalf of the Africa Group, preferred Option 2 as indicated before. It also asked how much time was available for discussion.

The Facilitator stated that 48 hours are available and one more informal is scheduled, but “informal informals” could be organized.

Japan said that a short text is needed. While Option 1 is not the minimum common ground, it has the potential to become so. Option 2 can be discussed, but prefer to have Option 1 sent to ministers.

The **European Union (EU)** stated that it likes the format of Option 1 because it is short and concise. It expects that the final decision establishes a new market mechanism in the context of a broader Durban package.

Bolivia expressed a number of concerns and disappointment. Bolivia’s contribution was missing from Option 1 and Option 2. It stated that it is necessary to establish a work programme to carry out an evaluation. Consideration of adopting new mechanisms should only occur after having the results of the evaluation. It also stated that the Kyoto Protocol is the only legal framework for market mechanism and believe this is not the forum to speak about markets.

Switzerland, speaking on behalf of the Environmental Integrity Group, said that it is convinced that Parties should work on Option 1 to save time.

New Zealand stated that it is very keen on a framework or work programme to allow for the exploration of various approaches. Whether approaches are outside or inside the UNFCCC, it is imperative to establish fungibility between various mechanisms. It said that it is important to consider how to manage emerging mechanisms and define the role of the UNFCCC in a top down and bottom up

world. It also said that it has heard from numerous colleagues that they want new scaled up mechanisms. New Zealand would be pleased to see it established here in Durban with details to follow or a work programme tasked with designing a mechanism that is easily accessible and viable for the future. It also stated that it was necessary for a Durban decision to address approaches designed outside of the UNFCCC process. It preferred Option 1.

St. Lucia, speaking on the behalf of **AOSIS**, prefers Option 2.

PNG strongly emphasized that the mandate it received from the G77 and China is to work on Option 2, as it reflects the view of the Group. It said that the previous Option 1 did establish more common ground than Option 1 presented in the text now. It said that an incentive-based mechanism is not reflected in the current option.

The Facilitator encouraged Parties to discuss what is necessary to ensure minimum common ground for a decision text.

China said that progress on this issue must be linked to a second commitment period under the Kyoto Protocol, and any text that is forwarded to ministers must be agreed to by this group. **Ecuador** supported China on the text being first agreed to by the group.

Brazil stated that it supported G77 and China's position. It also said that suggestions from the previous text are missing from the amalgamation text.

Colombia stated that it agreed with the EU and supported the establishment of new market based mechanisms to be included.

Ukraine referred to its situation as a developed country that is not developed relative to other countries such as Singapore. It asked that the "developed" and "developing" countries in the text be replaced with "Annex 1" and "non-Annex 1".

South Africa stated that while Option 2 is long, it express all views, which Option 1 does not. It also said that it found Option 1 confusing as it mentions enhanced mitigation options.

Australia stated that it wants expanded and improved markets with environmental integrity. It said that decarbonisation of economies requires greater action. It prefers Option 1 as it is the most

palatable for consensus. It said that it would like to see the decision include a new mechanism framework or work programme that applied to approaches inside and outside of the UNFCCC. It specified that it would like an outcome that balances flexibility and could not accept a limit on access to markets or the imposition of conditionalities.

The **United States** stated that is interested in advancing market mechanisms. It suggested that the text forwarded to ministers must have clear options as there is a wide diversity of opinions on the table that cannot be reconciled at the negotiator level. It also would like to see a work programme on how to deal with bilateral and multilateral mechanism, elements that would belong to a UNFCCC market mechanism and non-market mechanisms. It said that it sees HFCs included in the outcome of Durban.

Switzerland said that new mechanisms must have environmental integrity, avoid double counting, be MRVable. It also said that a work programme for modalities and procedures should be launched.

EU said that there are two essential things: what was decided in Cancun and the existence of mechanisms under the Kyoto Protocol should be acknowledged. It also said that the text can be further streamlined.

India stated that the basic principles and objectives are too lengthy and complex and thus streamlining is necessary.

Grenada stated that there is no reference to shared process, which is a principle that is essential for Grenada.

The Facilitator asked Parties the elaborate on what is missing that needed to be in a decision text.

Japan stressed the need for technology neutrality and flexibility. The **US** said that all Parties should have access to all mechanisms.

Chile preferred Option 2, as it captures all Parties' views. It also said that the previous version of Option 1 had elements that were clearer.

India supported the streamlining of all text.

The Facilitator adjourned that meeting. An "informal informal" was held later in the day and the Informal group resumes its work on Tuesday.