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Key issues in the UNFCCC's Tianjin climate session

Tianjin, 4 October (Meena Raman) – The United Nations climate negotiations resume in Tianjin, China on 4-9 October, 2010, with a continuation of the two tracks in the two working groups on Long-term Cooperative Action under the UN Framework Convention on Climate Change (LCA) and the Kyoto Protocol (KP).

The Tianjin meeting is the final meeting before the annual climate conference in Cancun, Mexico in late November.

New draft text for the LCA group

At the LCA group, it will be the first occasion in which a real engagement will take place to negotiate a text. The previous meetings after the Copenhagen Conference were spent on procedural issues (such as which text should be used in future negotiations) and on the re-building of a new draft text (in which various Parties in spin-off and drafting groups proposed the adding of language or square-bracketing of language to a previous Chair-written draft).

Significant progress has been made, in that there is now a new Member-driven draft text, issued on 13 August. Thus, the Tianjin meeting can now negotiate on the basis of this draft.

The various positions are placed as different options in this draft. It is clear that there are big differences between the Parties, and especially between developed and developing countries, in all the sections and issues. But there is at least a basis for negotiations.

One of the interesting aspects in the Tianjin negotiations is how the interface will play out between elements of the Copenhagen Accord and other positions that are opposed to it in the new text.

The United States and other developed countries (especially in the Umbrella Group) have insisted on the operationalising of the Copenhagen Accord. The controversial Accord was not adopted by the Conference of Parties at the Copenhagen meeting, as several developing countries saw it as having emerged from an undemocratic process. However, many developing countries have also associated with the Accord since the Copenhagen meeting, while many others have stayed out.

The language of the Accord has now been integrated as options in the various parts of the new text of the LCA working group. Several developing countries and their groupings have also placed language representing their positions (which often are greatly different from the Accord positions) into the new text. Some developing countries that are associated with the Accord also prefer other options with language different from the Accord.

Kyoto Protocol Track

The other working group, to negotiate the further commitments of Annex I parties in the Kyoto Protocol, will also have a new draft before it. The draft was prepared by the group's Chair, Ambassador John Ashe of Antigua and Barbuda. It contains various options which include amendments pursuant to Article 3.9 of the KP, that provides for the emission reductions of Annex 1 Parties (developed countries) for their second commitment period, following the expiry of the first commitment period in 2012.

The negotiations under this working group has been marked by resistance and reluctance on the part of developed countries that are members of the Protocol to agree on the numbers for their emission reduction targets under the Protocol.

The United States is not a member of the Protocol, although it is a Party to the Convention. The other Annex I Parties do not want to make binding commitments under the KP while the US is left out.

At the Bali conference (December 2007), the Parties agreed (in the Bali Action Plan under the Convention) that all developed countries would make a comparable effort in emissions reduction. This was taken to mean that the US would make its commitment either as a new member of the Protocol or through a separate decision under the Bali Action Plan process in the Convention.
In the past year it became clearer and clearer that most developed countries that are KP Parties no longer want to

make a commitment inside the KP. They are proposing a new set-up under the Convention that also covers the emission reduction commitment of the US as well as the mitigation pledges of "advanced developing countries".

In October 2009, the European Union also stated it wanted a single agreement in the Convention (which was widely interpreted as the phasing out the KP). Recently however it has indicated it is willing to consider establishing a second commitment period for emissions reduction under the Kyoto Protocol.

The developing countries on the other hand are united in opposing any move to kill the KP and have called on Annex 1 Parties in the Protocol to confirm their mitigation commitments in a second period beginning in 2013.

Most developing countries have proposed that the Annex I parties shall commit to an aggregate reduction of emissions by at least 40-50% by 2020 compared to the 1990 levels. The G77 and China also recently agreed that the second period should be 2013-2017. Thus the 40-50 per cent figure would be calculated to fit the 2017 end-date.

Tianjin will witness the continuation of the most strategic battle of the climate talks, with developing countries lined up on one side to insist on KP's continuation beyond 2013 and most developed countries on the other side stalling in the negotiations on numbers for their KP commitment because they want to jump ship from the KP but do not dare to say so explicitly and do not want to be blamed for stopping the KP negotiations altogether.

Meanwhile, many developing countries are contemplating what they should do if it is clear that the Annex I countries in the KP do not want any meaningful outcome in the KP talks. Should the developing countries continue to negotiate new obligations for themselves, especially to take mitigation actions that are subject to MRV (measurable, reportable and verifiable), when the developed countries are downgrading their own mitigation commitments (from the legally-binding environmentally-ambitious KP targets being negotiated, to the voluntary pledge system of the Copenhagen Accord)? This is a strategic question that some developing country delegations are asking.

ANALYSIS OF THE NEW LCA TEXT

In the LCA track, the 13 August text was the result of negotiations in the last Bonn session on 2-6 August. It comprises 70 pages, with 9 chapters dealing with shared vision for long-term cooperative action; enhanced action on adaptation; mitigation for developed and developing countries; the provision of financial resources and investment; technology development and transfer; and capacity-building.

Under mitigation, the sub-topics involve reducing emissions from deforestation and forest degradation, cooperative sectoral approaches, various approaches including the use of markets and the economic and social consequences of response measures (that includes the climate and trade linkage).

As noted by the Chair of the LCA working group Ms. Margaret Mukahanana-Sangarwe of Zimbabwe in her scenario note for the talks in Tianjin, "The text is now richer in substance and reflects more accurately the perspective of Parties on the issues. At the same time, many challenges remain and a significant number of issues still need to be resolved and differences overcome."

The following is a summary of the Third World Network's analysis of the 13 August text, which highlights the major issues that are expected to feature prominently in Tianjin and Cancun.

Shared Vision

The developing countries have insisted on an "integrated approach" to the shared vision, which could include the key elements of the four building blocks of mitigation, adaptation, finance and technology. It should not be focused only on the aspect, also mandated by the Bali Action Plan, of the long-term global goal for emission reductions.

An associated issue is the limit to the global temperature rise to be achieved by 2050. On this, the Copenhagen Accord agreed to a 2 degree C limit while many developing countries have advocated a 1.5 degree C and some even a 1 degree C level.

In order to limit the temperature rise, developing countries have proposed that the deep cuts in emission levels must be "consistent with the science and on the basis of equity in accordance with the principle of common but differentiated responsibilities, taking into account historical responsibilities and be preceded by a paradigm for equitable access to global atmospheric space".

Bolivia in particular has called for "*allocating the remaining carbon budget up until 2050 according to the criteria of population and the climate emissions debt of Annex 1 Parties*", while China has called for emissions reductions to be "*based on per capita accumulative historical emissions, under which the leadership on emission reductions need to be shown by Annex 1 Parties*". These are all in the 13 August text.

According to sources from developing countries, at the last meeting in Bonn in August, the US is reported to have said that "equity" means a fair share of obligations by all Parties and Russia was said to be opposed to "historical responsibility".

The European Union on the other hand has been advancing a global cut in emissions of at least 50% from 2020 levels by 2050 and for developed countries as a group to reduce their emissions by 80% from 1990 levels. Analysis by the South Centre shows that the EU proposal would implicitly mean a 20% cut in emissions for developing countries from 1990 levels by 2050, which would amount to an 80% cut per capita for developed countries and a 60% cut per capita for developing countries as the population of the developed countries is expected to remain the same while that of the developing countries would double.

In terms of the carbon budget, a South Centre analysis shows that the EU proposal would imply that the Annex 1 countries' share of the carbon budget for 2010-2050 would be 30-35% or double their projected share of world population of 16%. According to the Centre, "this not only worsens the developed countries' cumulative carbon debt but writes it off as well for the period 1850-2009."

Several developing countries have argued that such proposals by developed countries are inequitable and unfair as the developed countries continue to over-consume the remaining atmospheric space.

The issue of the fair burden-sharing as regards the emission cuts of developed and developing countries has been a highly contentious matter. The developing countries insist that the developed countries accept their historical responsibility and recognise their carbon debt, and have this reflected in the numbers for future emission reduction targets including in the "shared vision." The equity principles involved have now been further developed with the concept of "equitable sharing of the atmospheric space", which is in the new text. Some developing countries are asking that the discussion on the atmospheric space precedes an agreement on long-term emission reduction. However, developed countries have so far resisted this concept and its implications.

Mitigation of developed countries

On the mitigation commitments of developed countries, some developed countries introduced a new proposal (at the August Bonn session), now in paragraph 14 bis: "*As of [date], Annex 1 of the Convention will be deemed to include those Parties that meet the following criteria:[ ]*".

From the viewpoint of developing countries, this is a dangerous proposal as it seeks to redefine who are Annex 1 Parties and is an attempt to differentiate among developing countries. Developed countries already commonly refer to "advanced" or "major" developing countries, but there is no agreement that these terms be used, or how these categories are defined. In the course of negotiations, several developing countries including India, Singapore and Malaysia have opposed such proposals, stating that this is contrary to the Convention and the Bali Action Plan.

The negotiating text also contains proposals from the Copenhagen Accord which was primarily advanced by the US for a system of voluntary and non-binding emission-reduction national pledges, instead of the system containing a top-down aggregate number (consistent with the science) combined with mitigation targets of each developed country which is comparable with one another.

Paragraph 14 of the text is from the Accord which merely provides that "*Developed country/Annex 1 Parties commit to (shall) implement individually or jointly the quantified economy-wide emissions targets/ commitments for 2020/2017, to be submitted by these Parties in the format given/set out in Appendix I*".

Developing countries are of the view that agreement on this proposal alone would effectively lead to the demise of the Kyoto Protocol and its top-down aggregate number approach. They have therefore proposed the inclusion of language in the text (in paragraphs 15-19) which ensure the need for aggregate cuts by setting a collective goal through which the individual targets will be arrived at through a process of sharing of effort among developed countries and as advanced in the Kyoto Protocol to which the United States is not a Party.

During the Bonn session in June, developing countries favoured the approach of a collective or aggregate target to be set, in a top-down approach based on what is scientifically needed, and not through individual pledges in a bottom-up process.

The European Union was in favour of an aggregate target to be set, proposing a 30% emissions reduction by 2020 compared to 1990 levels.

The United States did not refer to an aggregate target for developed countries but referred to a "collective goal" of limiting temperature levels to 2 degrees C by 2050, while Russia explicitly favoured a bottom-up approach where the collective goal would be arrived at by adding up the individual pledges of all developed countries.

The US in Copenhagen, during the AWG-LCA negotiations had proposed the same approach as Russia; it had proposed that the aggregate target be determined by the sum of the individual pledges of Annex 1 Parties which is reflected by the figure (X%) in paragraph 18 of the then negotiating text with a footnote.

The developing countries' preferred options in the 13 August text include paragraph 16, that developed country Parties' quantified economy-wide emission reduction commitments will be formulated as a percentage reduction in greenhouse gas emissions with a placeholder for this to be decided based on the outcome of the AWG-KP in relation to the emission cuts for the second commitment period.

Paragraph 17 has options for the targets of developed countries to be those adopted for the second or further commitment period under the Kyoto Protocol as inscribed in Annex B of the Kyoto Protocol as amended, and for other Annex I Parties that are not Parties to the Kyoto Protocol (referring to the US), the agreed economy-wide quantified emission reduction commitments to be in an appendix to a decision herein.

These proposals by developing countries underscore their position of the need for an outcome in the AWG-KP track and an outcome in the AWG-LCA to accommodate the US consistent with paragraph 1(b)(i) of the Bali Action Plan.

This battle between the two approaches (now reflected in para. 14 versus paras. 15-19) is a fundamental one, and can be expected to feature prominently in Tianjin.

Nationally appropriate mitigation actions of developing countries (NAMAS)

At the Bonn August session, the text in the section dealing with the mitigation actions of developing countries was expanded significantly, with developed countries making more proposals for further obligations by developing countries, including very detailed reporting once in two years of their greenhouse gas emissions, as well as their mitigation actions (this is now reflected especially in para. 35 of the new text).

The developed countries have also proposed details of: (i) the system of the measuring, reporting and verification (MRV) for the developing countries' mitigation actions that are internationally funded, and (ii) a newly proposed system of "international consultation and analysis" (ICA) of the developing countries' mitigation actions that are not internationally funded.

The MRV concept was agreed to in the Bali Action Plan but how it is to be operationalised has not been agreed on. The ICA concept was introduced through the Copenhagen Accord, but many developing countries that have not associated with the Accord do not agree that their domestically-funded NAMAs have to be subjected to an ICA system.

In para. 35, developed countries have proposed that the NAMAS of developing countries which are "*enabled and supported by finance, technology and capacity-building shall be subject to international measurement, reporting and verification, including for new procedures described in paragraphs 38–43quater, accompanied by a review of the effectiveness of measures, financial auditing, and quantitative assessment of results achieved by supported activities by financial institutions and entities, and any additional guidelines….*"

In para. 39, developed countries have proposed that developing countries in addition to the submission of their national communications also prepare and submit biennially to the COP a report containing the following elements: (a) national greenhouse gas inventories, and supplementary information specific to the pledged mitigation action, (b) a detailed description of the nature and status of implementation of mitigation actions, (c) methodologies used and assumptions made in quantifying emissions reductions or removals (d) information on receipt of finance, technology and capacity-building support [how the support was used, and how it related to needs identified in the Party's low emission development strategy, enabling environment for receipt of support, and actions linked to international offsets (e) a detailed description of the system of domestic measurement, reporting and verification (including methodologies and assumptions used and independence and expertise of reviewers) and detailed results of domestic verification of mitigation actions and (f) information on adaptation needs, including adaptation projects or activities and difficulties encountered in their implementation.

In relation to the ICA (a new concept that arose from the Copenhagen Accord), developed countries have made new proposals on what they want.

Paragraph 41 states that "*the purpose of international consultation and analysis is to assist Parties to improve the quality of greenhouse gas inventories and national communication reporting over time, to share experience and lessons learned, and to promote the environmental effectiveness and transparency of mitigation actions*".

Para. 42 states that: "*The analysis in the context of paragraph 41 above will be a technical assessment of the information, focusing on correct application of methodologies on transparency and completeness of information reported and will be undertaken by an independent panel of experts …The panel's greenhouse gas inventory review experts will conduct analysis of national inventories…*"

Para. 42*bi*s states that "*Following submission of national communications, biennial reports or one year after their non-submission, the panel will analyse the extent to which*" *the Party has followed the reporting requirements for biennial communications, the national greenhouse gas inventory, the extent to which the Party has implemented its mitigation actions and the effect of such actions on emissions.*"

Clearly, these paragraphs if accepted will place new onerous obligations on developing countries which lack the capacity both to carry out the mitigation actions and to report on them and on their Greenhouse Gas emissions.

Finance

On the issue of finance, there are many components. On the scale of the finance needed, there is much disagreement between developed and developing countries. Developed countries are pushing the Copenhagen Accord which only promised to mobilize $100 billion subject to this condition: "in the context of meaningful mitigation actions and transparency on implementation".

The G77 and China had called for developed countries to commit to an assessed contribution of at least 1.5 per cent a year by 2020 of the GDP of developed countries. while Bolivia has proposed at least 6 % of GDP.

On the institutional issue, there is an emerging consensus for the establishment of a new fund under the authority or guidance of the Convention. However there is no consensus on the trustee and secretariat of the fund. The G77 and China has proposed that the trustee is selected through open competitive bidding. However the US, backed by some developed counties, has proposed that the World Bank is invited to serve as the trustee or interim trustee of the Fund This is not agreed to by many developing countries, which have not had good experience with the Bank.

Technology transfer, a technology mechanism and intellectual property rights (IPRs)

On the issue of technology, the G77 and China had proposed the setting up of an Executive Body on Technology comprising of government representatives elected by the COP. The EU proposed an Executive Committee while the US proposed a Climate Technology Centre and Network.

The text provides for the setting up of a Technology Mechanism comprised of a Technology Executive Committee and a Climate Technology Centre and Network.

An issue to be resolved is the relationship between the two major components of the Technology Mechanism and the need for clarity on the details i.e. the nature and scope of work of the components, hierarchy between the components of the mechanism and who will guide its work.

In Copenhagen, the US took the position that its Climate Centre should be on equal standing with the Executive Committee, and that it should be independent and not be accountable to the COP, nor be guided by it.

Another contentious issue is intellectual property rights. The G77 and China has called for the relaxation of IPRs in addressing climate technologies for mitigation and adaptation, as well as suggestions for cooperation such as establishing a "technology pool" and publicly-funded joint research and development. The US and Japan in particular are opposed to any negotiations on the IPR issue or even a mention of IPRs in the text.

Use of Markets

The text includes the developed countries' proposals to establish new market-based mechanisms beyond the existing emissions trading scheme and the clean development mechanism under the Kyoto Protocol.

Several developing countries are opposed to these proposals as they view the issue of market mechanisms to be within the purview of the KP working group and not the LCA working group. They are concerned that agreeing to discussing market mechanisms in the LCA track could build the way for the transfer of the markets issue out of the KP and moving it into the LCA.

Further, some countries are opposed to the idea of new market mechanisms being a means to enable developed countries to create further offsets by passing on emission reduction obligations to developing countries instead of undertaking the emissions reductions domestically.

Climate and trade

Developing countries have been very concerned that about the rise of trade protectionism on climate grounds. This fear increased after the US House of Representatives passed a bill in 2008 that included a section authorising the President to impose border tax adjustment measures on selected products of countries deemed not to meet US standards for emissions control.

Developing countries have made proposals for disallowing such unilateral trade measures on grounds of controlling climate change, and their proposals are reflected in the new text. However, some developed countries do not agree to this strengthened language on trade and climate change and prefer to retain or re-use the existing language on the trade-climate link in the Convention.