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AWG-LCA: Developed countries oppose Chair's overview text

Doha, 28 Nov (Meena Raman) – The opening plenary of the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA) under the UNFCCC, held on Tuesday, 27 November in Doha, saw Parties divided over how to treat the informal overview text produced by its Chair, Mr. Aysar Tayeb (Saudi Arabia).

The AWG-LCA is tasked to reach an agreed outcome under the Bali Action Plan (BAP). Tayeb had prepared an informal overview text (referred to as Conference Room Paper 3 or CRP3) for the Doha session, which he said was to “facilitate discussions among Parties on the different ideas and proposals presented”.

While many developing countries and their groupings welcomed the text as a basis for negotiations, developed countries including the Umbrella Group (Canada, Japan, Kazakhstan, New Zealand, Norway, Russia Federation and United States), the European Union, Switzerland and Mexico expressed objections to the text, not wanting it to have any basis for further discussions.

There was a very lively and colourful exchange between the Chair and Parties regarding the text, with references to whether it was a meal with the right ingredients for all Parties to eat from, given the wide range of options presented which reflected the different views of Parties.

Several developing countries including the Philippines, China, India and Pakistan pointed out that the options under several elements of the text provided a wide range of proposals reflecting the proposals of all Parties, including the option of “no text” in some cases (such as addressing intellectual property rights [IPRs], unilateral measures, long-term finance and cooperative sectoral approaches for

mitigation), which reflected the position of developed countries.

Tayeb, in his opening remarks said that the Conference of Parties (COP) in Durban had set the objective clearly of the working group to successfully finish its work and reach an agreed outcome, which will be forwarded to COP 18. He said that work began this year with a comprehensive evaluation of the issues under the BAP and good progress has been made which highlighted the achievements and the remaining work to be to be completed. This was the last stretch, said the Chair.

On the organisation of work, Tayeb said that this session of the working group was a resumed session and work will proceed under a single contact group. There will be informal open-ended consultations on issues and there will be a stock-taking session to have an overview for feedback and interactions.

He recalled that at the end of Bangkok, he had prepared an informal overview note to reflect the discussions and he did further work to produce the informal overview text. He said that it had a broad spectrum of views including options for no further discussions in some areas. In some areas, where there were many ideas that had been put forth but had no structure, he attempted to provide structure to help further exchanges. In some areas, Tayeb foresaw that discussions may not conclude, and he attempted to indicate some places where the work can be discussed further after the closure of the AWG-LCA. The text, he said, provided clarity on the choices before Parties and suggestions on where further work may take place. He was looking forward in the first week for reactions and for a sense of direction towards the outcome Parties are seeking. This could be substantive agreement in some areas where agreement can be reached and where issues cannot be completed, it was useful to get indication where

dialogue or further work can take place, referring to many calls for “finding homes” for these issues.

Tayeb said that it was important to get direction earlier on in the week, so that the text could be revised and where areas may be narrowed to bring a closure and to see what a draft agreed outcome may look like. Given the many options on the table, he urged Parties to find solutions.

Algeria, speaking for **G77 and China** recognized that important progress has been made in the negotiations of this working group over the past years and wanted an outcome that is comprehensive and balanced, enabling the full, effective and sustained implementation of the Convention and addressing both implementation tasks and issues that are still to be concluded. Such a result must fully respect the Convention and the Kyoto Protocol, the two-track negotiation as mandated by the Bali Roadmap, and rendering operational the decisions reached in Cancun and Durban, it added.

For G77 and China, mitigation is an important part of a balanced and ambitious outcome in Doha. Therefore there is a need for balance, both within mitigation and between mitigation and adaptation and as well as finance. In this context, priority must also be given to ensuring that raising ambition is enhanced, including on technology transfer, finance and capacity building. It must also ensure that developing countries receive adequate support to implement actions agreed in Cancun and in Durban. Furthermore, it believed that a second commitment period under the Kyoto Protocol must be the basis for comparable Annex I emission reduction commitments of Non Kyoto Protocol Parties, thus maintaining the stringency of obligations for all Annex I Parties.

With regards to adaptation, the Group welcomed progress made towards a full operationalization of the Adaptation Committee keeping in mind the importance of creating the proper linkages to other institutional arrangements, in particular to the operating entities of the financial mechanism, as well as to others adaptation related arrangements that are being discussed under the SBI.

It welcomed the discussion within the Adaptation Committee held this September in Bangkok and we look forward to constructively engage at this session for assigning priority to its full operationalization as soon as possible through the three year rolling work plan to be adopted in Doha.

On the development and transfer of technologies, the G77 and China recognizes the work done by the

Technology Executive Committee during its meetings it had this year and the efforts made to set its work plan for the next two years. However, in order to fully implement the Technology Mechanism established in Cancun, it is of utmost importance to translate this work plan into actionable, achievable tasks that add value to technology development and transfer.

The G77 and China believed that the main source for long-term finance should be public funds mobilized by developed countries, so as to ensure 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. Long-term finance should include the initial capitalization of the Green Climate Fund to become operational here in Doha. Therefore, developed countries should announce the pledging of climate financing of at least the size of Fast Start Financing for the Green Climate Fund (GCF) for the period 2012-2015

On the same issue, the Group, while recalling that the GCF as an operating entity of the Convention, it must therefore be guided by the COP and that the arrangements of the relationship between the GCF and the COP should be established by the COP. There is also a need to address the gap in financing between the end of the period for fast-track finance, 2012, which is upon us, and the period when long-term finance should start. In addition, the G77 and China recognized the importance of mobilizing significant funding, in accordance with the principles of the Convention without transferring financing burden to developing countries.

Australia spoke for the **Umbrella Group**. On how to close the work of the AWG-LCA, Australia said that there was need for a good, transparent and Party-driven process, and to focus on areas where there is potential for convergence.

It said that it cannot use the text the Chair had drafted as a basis for negotiations. Its concerns with this text are both procedural and substantive. Australia said that the process the Chair had used to put forward this text was most unusual. “This is a party-driven process, and Parties did not ask you to prepare this text, and there were no consultations prior to or during its development – either on the manner in which we would come to agreement, or about the substance that would be addressed,” it added.

It expressed extreme disappointment to see a textual offering that “sets out polar options,” when instead,

focus should be on identifying where there is potential to come to convergence and to an agreed outcome. Australia added that Parties could not afford to be divided by their differences, and this text caused divisions. It proposed now that priority must be the issues where further work was mandated at Durban. It wanted facilitators to work in close cooperation with Parties to move these conversations forward, and into text at the right time.

On the issues not mandated in Durban, it was prepared to continue to discuss whether there are areas where there is shared understanding on the need for text under the AWG-LCA, and if so, what that text might say. Australia said that Parties may find that there is no agreement – and if there is not, “our standard procedure would be not to have any text or decisions. We do not, as a matter of good practice, list all the areas of our disagreement – but rather, capture our agreement in text we put forward. This discussion should take place in a single group with all unresolved issues considered together. This process could also benefit from closer Party involvement, and suggest that a pair of Party co-facilitators be appointed to assist you in this process,” it added further.

Recalling the achievements already made under the BAP, Australia said it was time to deliver the deal reached in Durban in Doha, in closing the AWG-LCA transit to a full implementation and delivery phase. Australia said that Parties have ensured that work will continue to be delivered by the permanent subsidiary bodies of the Convention, and the new institutions and processes we established through the AWG-LCA, in their own dedicated homes.

On fast start finance, it said that developed countries committed to provide approaching \$30 billion in new and additional resources in the period 2010 to 2012 to support mitigation and adaptation in developing countries. Australia said that as of today, the Umbrella Group countries have announced a total of \$24.4 billion in contributions to fast start finance. The European Union has recently announced that it has provided the equivalent of \$9.2 billion in fast start finance. This means that publicly announced fast start finance provided by developed countries now exceeds \$33 billion, it added.

Switzerland, speaking for the **Environmental Integrity Group** also recalled the achievements already made under the work of the AWG-LCA and said that the Chair’s text could not be used as basis for negotiations. It said that consensus will not be reached on all the issues.

The **European Union** in reference to the Chair’s overview text said that it was surprised by it and that it did not provide good basis for agreement. The text, it said was not balanced and does not prioritize tasks mandated by the Durban outcome. It said that it would be more productive to focus on areas of convergence and where it is possible to achieve further progress. The EU also recalled all the achievements that have been reached under the AWG-LCA. It wanted discussions to focus on the mandated issues from Durban. This it said, included modalities for market mechanisms, clarifying 2020 mitigation commitments and actions, and rules underpinning those commitments. It said that closing the AWG-LCA did not mean unresolved issues are not relevant or there will not be space to discuss them. On finance, the EU said it had delivered on fast start despite economic issues and budget cuts. It will continue to provide finance support after 2012 and will look for ways to scale up financing towards 2020.

China welcomed the Chair’s overview text and supported it. It said that in the last informal session in Bangkok, it had referred to the Chinese saying that no matter how clever a housewife is, there could be no meal if the rice was not prepared and had asked the Chair to “prepare the rice” so that he would not be in the situation of “a desperate housewife” upon arrival in Doha. China said that the Chair had prepared the rice, referring to the Chair’s text and hoped that he could also prepare a “delicious supper” so that the work of the AWG-LCA could come to a conclusion. It said that the text had the necessary ingredients for “the meal” which came from a Party-driven process. There was need to focus on substance and not waste time on procedure, stressed China. It said that progress had been made but a lot of issues are not yet resolved and not addressed and there is need to make necessary arrangements so that no issues are left off the table.

Responding to China’s comments, Tayeb said that not all Parties eat rice and what he did was to “go shopping to prepare a good meal.” That meal was prepared from a “shopping list” which was the submissions of Parties. He said that he did not prepare “a single meal but was putting together a small feast that can have different plates”.

Philippines also welcomed the Chair’s text and said that it provided a basis to build upon, including in addressing the gaps. Responding to assertions by developed countries that much has been achieved under the BAP, it said that institutions had been established but they were “empty shells” and had

become “talk shops.” It stressed that Parties were dealing with the Bali Action Plan which means concrete action, especially on technology transfer and finance. It said that there was no meaningful capitalization of the GCF as there was not a single cent to fulfill the needs of developing countries. Philippines said the text had the options of all Parties including the option of “no texts” by developed countries on finance, technology transfer and unilateral measures. It reminded Parties that only when an agreed outcome under the AWG-LCA is reached, would the working group be terminated.

Pakistan thanked the Chair for his text and said that it was not the time to quibble over procedure. It said that progress had been made under the BAP but in the area of finance, progress has been limited. There is only a goal to mobilise the US 100 billion per year by 2020 from the Cancun decision but we do not know the actual figure of the commitment is, the mechanism to get there and how to get there. There are areas where progress is necessary. Some may be of the view that progress has been achieved but a sizeable number of Parties do not think so, it added.

The **United States** – said that enormous strides have been made in establishing the institutions and mechanisms in the context of the Cancun and Durban decisions. As regards the Chair’s text, the US expressed its strong view that the text is not the basis for that path on the way forward. It was looking for a process that inspired balance and confidence. Many ideas in the text could be used as reference. It wanted Parties to go back to the discussions and consider building up the text coming from Parties or identify areas of convergence. It said that there could be text by the co-facilitators with a balanced perspective to move the negotiations.

Mexico expressed concerns over the text being used as the basis given the many points of divergence among Parties. It suggested moving into the contact group and spin off groups and identify what areas can have consensus. It said that in previous COPs, negotiations began without texts.

India said that the overview text captured the entire range of views of Parties and includes the “no text” option. Just because some Parties say “no text” does not mean that it is not captured in the text, which the Chair has done. Without a pick and choose approach, there is need to see what we can agree on and what we cannot, it added.

Iran spoke on behalf of 18 countries comprised of India, Philippines, El Salvador, Dominica, Egypt, Saudi Arabia, China, Malaysia, Pakistan, Iraq, Algeria, Bolivia, Islamic Republic of Iran, Sri Lanka,

Argentina, Democratic Republic of Congo, Sudan, Cuba and Argentina.

Referring to the Chair’s text, Iran said that it provided a useful basis for discussions and noted that it could be improved. It said that an agreed outcome in LCA that comprehensively addresses all the elements contained in the BAP is an essential element for the success of Doha. This also was one of the components of the Durban Package.

It said that the AWG-LCA mandate was extended not merely to close it, but to do meaningful work on all the unresolved issues to reach an ambitious, meaningful, comprehensive agreed outcome. Parties must address all the elements under AWG-LCA including ambitious and comparable emission reduction targets by the developed country Parties, adaptation, finance, technology transfer and capacity building. The creation of institutions for many of these issues reflect excellent progress but does not necessarily close the issues themselves, particularly as the key political issues of operationalizing these institutions remain unaddressed.

This, it said is particularly true of means of implementation for developing countries. Developed countries should rise to their historical responsibilities and honour their commitment to provide developing countries with financing, technology transfer and capacity building support and to finance the effective operationalisation of the institutional mechanisms.

Developed countries must meet the goal of providing 100 billion US dollars per year by 2020 as committed and for this purpose, and must begin efforts right now through agreeing on a roadmap to scale up financial resources in order to avoid the funding gap for the period from 2013 to 2020. Iran reiterated that public finance should be the main source of funding provided by developed countries to support developing countries’ actions on climate change, in particular for their adaptation and capacity building.

It emphasized that discussion on the long-term goal for emissions reductions and timeframe for global peaking under ‘Shared Vision’ are important issues which must be undertaken within their appropriate context and supported by means of implementation. The elements constituting this context would include, inter alia, equity, historical responsibility of developed country Parties, ensuring equitable access to sustainable development, as well as long-term goals for finance, technology transfer, adaptation and capacity building.

It also emphasized that the scope of the 'Review' must be further redefined prior to its launch, with a view to facilitating a comprehensive assessment of the implementation of the Convention. Sectoral approaches should be fully consistent with the principles and provisions of the Convention, and Parties must prohibit unilateral measures on international aviation and maritime bunker fuels.

Iran said that response measures to climate change, including unilateral ones, should be consistent with the principles and provisions of the Convention, should promote economic diversification to increase economic resilience to climate change, and should not have any trade-protectionist impacts against developing countries. Mitigation and adaptation mechanisms should also be appropriately designed and established to ensure environmental integrity, consistency with the principles and provisions of the Convention, and ensure that they result in enhanced actual mitigation efforts, particularly from developed countries.

It called for a loss and damage mechanism to support developing countries should be established, including components of risk management, risk insurance, and a compensatory solidarity fund. It was also important, said Iran that Parties desist from an exercise of pick-and-choose when it comes to addressing issues. All unresolved issues must be addressed faithfully. Moreover, in case Parties are not able to successfully conclude some issues at this session, we must find a way to transfer them to other subsidiary bodies of the Convention so that they do not fall off the table.

Egypt for the **Arab Group** supported the Chair's text as the basis for further work in Doha. If issues could not be resolved, they could be addressed under the Durban Platform or under the COP. It stressed the need for common ground on all outstanding issues of the BAP. It emphasised the importance of adaptation, the availability of finance, reduction of emissions in developed countries based on historical responsibility and in accordance with the Kyoto Protocol and the Convention. It wanted to see progress on the issue of IPRs and unilateral trade measures.

Bolivia speaking for the **ALBA countries** supported the Chair's text as basis for the negotiations. It stressed the importance of agreeing on a shared vision that included the recognition of the rights of Mother Earth and also a vision for sustainable development that tackled poverty and climate change. Doha, it said needed to define an effective response for mitigation reductions of developed

countries who are historical emitters and have left the Kyoto Protocol. There cannot be a situation where developing countries are taking on more obligations than developed countries. Bolivia did not want a promotion of carbon markets which made it easier for developed countries not to do domestic actions. There needs to be clear guarantees for financing and technology transfer to developing countries. There cannot be a repeat of fast start financing, which was a recycling of aid money and loans.

China, speaking for BASIC (Brazil, India, South Africa and China) believed that it is of critical importance for Doha to reach the agreed outcome pursuant to the BAP with a view to concluding the work of the AWG-LCA. This is also required by the full and effective implementation of the Durban package in a balanced and comprehensive manner and making Doha a great success. It emphasized that a successful and meaningful conclusion of the AWG-LCA must address all the elements including ambitious and comparable emission reduction targets by the developed country Parties, adaptation, finance, technology transfer and capacity building and leave no key issues off the table, in particular issues like equitable access to sustainable development, technology related IPR and unilateral measures.

It said that necessary arrangements were needed to ensure the any unresolved issues be taken up for continued discussions by appropriate bodies in the UNFCCC system after the conclusion of the AWG-LCA. Doha however has to provide clarity on the necessary commitment for implementation of the climate change regime from 2013 up to 2020, particularly in respect to mitigation and means of implementation by developed countries.

China highlighted the importance of means of implementation for developing countries. Developed countries should rise to their historical responsibilities and honour their commitment to provide developing countries with financing, technology transfer and capacity building support and to finance the effective operationalisation of the institutional mechanisms. It also underscored the importance of concluding, in Doha, the necessary arrangements between the Conference of the Parties and the GCF, in order to ensure that the Fund works under the authority and guidance of the Conference of the Parties.

It urged the developed country Parties to meet the goal of providing 100 billion US dollars per year by 2020 as committed. A roadmap to scale up financial resources is absolutely necessary in order to avoid the

funding gap for the period from 2013 to 2020. Public finance should be the main source of funding provided by developed countries to support developing countries' actions on climate change, in particular for their adaptation and capacity building. Concrete information on the implementation of the Fast Start Finance is urgently required to ensure transparency and effectiveness.

It further emphasized that discussion on the long-term goal for emissions reductions and timeframe for peaking should only be undertaken with full consideration of the context and means of implementation issues. The contextual elements include, inter alia, equity, historical responsibility of developed country Parties, ensuring equitable access to sustainable development, identified ambitious long-term goals for means of implementation on finance, technology transfer, adaptation and capacity building. It underlined the need to further define the scope of the Review prior to its launch, with a view to facilitating a comprehensive assessment of the implementation of the Convention.

Gambia for **LDCs** said that under the 'Review' of the peaking year and temperature goal needs to be reviewed. Science is unequivocal that much more is needed. It stressed the importance of the comparability of efforts of developed country mitigation, and common accounting rules for them. Finance is key to ensure continuity of climate finance to avoid a gap and a clear signal should be sent from Doha. It also wanted the issue of loss and damage to

be addressed as well as modalities for institutional arrangements and vast capacity needs of developing countries in relation to adaptation.

Nauru speaking for **AOSIS** calls for a greater sense of ambition and urgency and to accomplish this, Parties must focus work on topics specifically mandated in Durban, including the temperature goals and peaking year for emissions and definition of modalities for science based review of temp goal with view to limiting temperature rise to well below 1.5 C. Doha must ensure that the commitments of countries not doing a second commitment period under the Kyoto Protocol is consistent with science and comparable to that of other developed countries. It also called for developed countries to commit to finance to avoid a gap in climate finance. It called for the establishment of second fast-start finance from 2013 to 2015.

Swaziland for the African Group said that key issues remain unresolved. It stressed the importance of mitigation where there must be agreement on a clear way forward on comparability of efforts among developed countries. Mitigation actions of developing countries are voluntary and should remain contingent on support. It also stressed the importance of finance. There was need for provision of clear support for concrete adaptation and loss and damage and appropriate capacity building. The review of temperature goal can only be taken in association with the means of implementation, it added.