

WORK OF THE AWG-LCA CONTACT GROUP

Agenda item 3.2.1

Nationally appropriate mitigation commitments or actions by developed country Parties

Discussion of matters relating to paragraphs 36–38 of the Cancun Agreements

version of 18 November 2011 @ 18.00

Revised co-facilitator's summary

Part I: Co-facilitator's summary of discussion on matters relating to paragraphs 36–38 of the Cancun Agreements

[General]

1. Parties had a constructive discussion on the matters relating to paragraphs 36–38 of the Cancun Agreements,¹ including the quantified economy-wide emission reduction targets put forward by developed country Parties which are currently compiled in document FCCC/SB/2011/INF.1/Rev.1, and also the level of ambition of efforts by developed country Parties.

[Ambition gap]

2. Many Parties recognize the existence of an “ambition gap” in global emissions and reiterated the importance of the level of ambition of efforts. Views on the context of consideration of this issue differed among Parties. [Some Parties preferred to frame the consideration of this issue in a broader context and on the basis of the best available scientific knowledge as referred to in paragraph 4 of decision 1/CP.16, encompassing all Parties with a significant share of emissions, whereas] [others preferred to contain this consideration for the developed country Parties alone, thus reflecting the explicit urging for increased ambition from developed country Parties expressed in paragraph 37 of decision 1/CP.16] [Others stated that developed country Parties should 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].

2 bis. Some Parties noted that the overall level of ambition [and accounting] is central to any outcome in Durban and many Parties highlighted the importance for a Durban outcome of common accounting rules for developed country Parties (see paras. 7 and 8). Some Parties noted that ambition and accounting had been addressed in specific ways in the Cancun decisions. A number of Parties noted that matters associated with ambition and accounting cannot be successfully addressed in two separate

¹ FCCC/CP/2010/7/Add.1.

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tracks, and that further consideration would be appropriate in a setting common to Annex 1 and non-Annex 1 Parties.

3. [[A few] [Some] Parties noted that the discussion on the level of ambition is linked to the discussion on the review process which is being considered separately under the AWG-LCA, and that one option for dealing with ambition is at the conclusion of the review.]

[Enhanced information on quantified economy-wide emission reduction targets]

4. Many Parties welcomed the workshops organized by the secretariat to clarify the assumptions and the conditions related to the attainment of quantified economy-wide emission reduction targets of developed country Parties. Parties also welcomed the reports by the Co-Chairs of the workshops.

5. There were a number of proposals on how to take forward the quantified economy-wide emission reduction targets currently referred to in document FCCC/SB/2011/INF.1/Rev.1. The list in paragraph 10 is not an attempt to identify areas of convergence or divergence as there was no convergence of views by Parties according to previous discussion on this matter, nor is it intended to be an exhaustive list, but rather a compilation of proposals that Parties submitted during the discussions. Parties have also provided further proposals, which are contained in FCCC/AWGLCA/2011/MISC.9/Add.1.

5 *bis*. Many Parties required the comparability of efforts among Annex I Parties to be ensured by the process of international assessment and review, including the comparability of mitigation ambition, comparability of the legal form of mitigation commitments, comparability of accounting rules, comparability of compliance and consequences.

[Level of ambition /deviation from business as usual]

6. Views and proposals made by Parties on how to increase the level of ambition are listed in paragraph 11. Some Parties are of the view that Parties should agree, in Durban, on the identification of such a list of options, and initiate a process to examine these options with a view to a decision by COP18. Some Parties noted that, to the extent that specific elements of this list are addressed, they would need to be considered together with elements under paragraphs 48-51. The list in paragraph 11 is not an attempt to identify areas of convergence or divergence, nor is it intended to be an exhaustive list, but rather a compilation of proposals that Parties submitted during the discussion. Parties have also provided further proposals, which are contained in FCCC/AWGLCA/2011/MISC.9/Add.1.

[Accounting framework]

7. Many Parties highlighted the importance of a common accounting framework, the need for this common accounting framework to be robust, rigorous and transparent, the need to ensure comprehensive coverage of all sources and all sinks across all sectors, addressing metrics, coverage and rules, and how such an accounting framework [is a prerequisite for] [could relate to] transparency and the understanding of [targets] [commitments]. Several Parties noted the importance of such framework in addressing comparability; assessing the performance of Parties in meeting their targets; keeping track of the aggregate performance towards meeting the objective of staying below 2°C; and underpinning a robust carbon market. Some Parties are of the view that the Kyoto Protocol accounting framework is a reference in this context, although it needs further improvement.

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8. Other Parties noted that the Convention reflects an approach with respect to matters relating to accounting, and emphasized that the accounting framework could depend on the national circumstances so long as there is a transparent and rigorous reporting framework.

8. *bis* Some Parties are of the view that ex-ante transparency on accounting rules is indispensable to ensure predictability and integrity. Many Parties noted the importance of any approach pertaining to accounting as covering both developed and developing country Parties. Some Parties pointed that accounting framework has to be applicable to all major emitters, including both developed and developing country Parties. Overall, there was no convergence of views on the common accounting rules and framework, according to previous discussion.

[Way forward]

9. A number of views and proposals were made by Parties on how to take forward the discussions on matters relating to paragraphs 36-38 in the lead up to Durban and include processes to be initiated in Durban and steps to be taken beyond. The list in paragraph 12 is not an attempt to identify areas of convergence or divergence, nor is it intended to be an exhaustive list, but rather a compilation of proposals that Parties submitted during the discussions. Parties have also provided further proposals, which are contained in FCCC/AWGLCA/2011/MISC.9/Add.1.

[List of proposals made by Parties on matters relating to paragraphs 36-38 of the Cancun agreements²]

10. On enhanced information on quantified economy-wide emission reduction targets:

(a) Understanding better the targets already put forward, including non-conditional domestic targets by developed country Parties; this could be accomplished by establishing a process which could include a call for submission of information, including on underlying assumptions in Parties' accounting of emissions with respect to their targets, in a structured format/common template that could be included in an INF document, with periodic updates as appropriate [feed into updating the technical paper on developed country targets];³ Such information could include, inter alia:

- (i) The reference value of the target or action (such as the base year, reference year, and/or business-as-usual and GDP trajectory);
- (ii) The gases covered by the target or action;
- (iii) The sectors covered by the target or action;
- (iv) The global warming potential values used (if different from AR4);
- (v) Land use, land-use change and forestry activities and harvested wood products;
- (vi) Consideration of bunker fuels;
- (vii) Use of carbon credits from the market-based mechanisms;
- (viii) Carry-over of surplus AAUs;
- (ix) Assumptions in projections;
- (x) Any conditions related to ambition of the pledge;

² The list is not an attempt to identify areas of convergence or divergence, nor is it intended to be an exhaustive list, but rather a compilation of proposals made by Parties.

³ FCCC/TP/2011/1.

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(b) [Understanding the aggregate effects of actions of [both] developed country Parties [and developing country Parties];]

(c) Establishing a process to update document FCCC/SB/2011/INF.1/Rev.1;

(d) [Transforming, for developed country Parties [that are Parties to the Kyoto Protocol,] the pledges into quantified economy-wide emission reduction [commitments] [targets] [(QERCs)] [(QELROs)] for the second commitment under the Kyoto Protocol; and establishing a strong comparability framework and compliance system for those mitigation commitments presented outside of the Kyoto Protocol;]

(e) [Transforming pledges into assigned amount/carbon budget under the Convention for [developed country Parties [only]] [both developed and developing country Parties];]

(f) Enhanced reporting of information on targets and actions through national communications and biennial update reports, as well as the process of international assessment and review (IAR);

(g) [Setting “non-conditional domestic targets”]

11. On level of ambition /deviation from business as usual:

(a) [Enhancing domestic efforts by developed and developing country Parties;]

(b) [Removing conditionalities around the [pledges] [targets and actions] and moving to the [upper range of the pledges] [more ambitious range of targets and actions];]

(b bis) [Continuing workshops under paragraph 38 and 51 to better understand targets and actions of developing and developed country parties.]

(c) [Establishing and developing a common accounting framework for developed and developing countries that can maximize global mitigation efforts;]

(d) [Establishing [a compliance and] international assessment and review (IAR) process;]

(d bis) [Considering issues pertaining to graduation of Parties into Annex I and Annex II;]

(e) [Developing a framework [and criteria] for the formulation and implementation of low [emissions] [carbon] development strategy for developed and developing countries;]

(f) [Further developing the global [carbon] market but ensuring the environmental integrity];

(g) [Addressing the surplus AAUs in the context of the Kyoto Protocol and establishing stricter LULUCF rules;]

(h) [Removing fossil fuel subsidies and/or reporting thereof [for developed and developing countries];]

(i) [Pursuing ‘green growth’ [domestically] and enhancing investment in green sectors by developed and developing country Parties [domestically];]

(j) [Setting renewable targets for developed [and developing] country Parties;]

(k) [Demonstrating that enhancing the level of ambition is economically feasible;]

(l) [Supporting implementation of NAMAs by developing countries;]

(m) [Addressing global emissions [of hydrofluorocarbons, and emissions] from international aviation and maritime transport[, and asking related international organizations to implement this];]

(n) [Updating the technical papers prepared by the secretariat in relation to emission reduction targets.]

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(o) Encouraging over-performing on or stepping up of the current mitigation proposals in each country;

(p) Establishing fair and effective legally binding framework in which all major emitters including major developing country Parties participate;

(q) [Understanding the current nationally appropriate mitigation action, their underlying assumptions, diversity and effects;]

(r) Encouraging those countries that have not yet done so to formulate pledges;

(s) [Understanding the support needed for implementation and enhanced action;]

(t) Increasing mutual trust to achieve a collaborative step-up of the level of ambition in all countries;

(u) [Agreeing on a format to capture the necessary information;]

(v) [Developing global options to raise collective ambition through enhanced cooperation;]

(w) [Holding technical workshops in 2012 to deepen the understanding of methodologies and assumptions underlying the NAMAs mitigation actions;]

12. On the way forward:

(a) [Establishing] [Continuing] a process, [in the form of organizing workshops and updating technical papers in a structured manner], to understand better the individual and overall effects of mitigation commitments or actions by developed country Parties [and national appropriate mitigation actions by developing country Parties];

(a bis) Elaborating a process for Parties to provide enhanced information on targets contained in INF.1 documents.

(b) Understanding the scale of the “ambition gap” and identifying ways to bridge this gap, based on a list of options to be agreed in Durban to address it; [this could be achieved through process/workprogramme including preparing technical papers by the secretariat and organizing workshops involving both developed and developing countries];

(c) Establishing a process to develop common global accounting rules and framework applicable for all major emitters including major developing country Parties in Durban, and identifying, in Durban, the key elements of such a common accounting system, on which common accounting rules need to be defined;

(d) [Creating a common space to discussion the level of ambition covering [both] developed [and developing country Parties];]

(e) [Converting the summary by co-facilitators on paragraphs 36-38 of decision 1/CP.16 into] [Developing and considering] decision text as soon as possible [in the context of Party discussions in Durban].

(f) Clarifying the outcome of further work on the legal form of the new climate regime in Durban, by establishing an ad hoc group mandated (Durban mandate) to elaborate a legally binding instrument for consideration at the COP18/19, including all Parties, and by agreeing on the continuation of the Kyoto regime and the related commitments;

(g) Raising the level of ambition, clarifying the global ambition and ways for its increase, agreeing on a accounting framework and deciding on the form of the new climate regime at COP 18, with a view to raising the level of ambition based on the review, operationalizing the accounting framework and the new climate regime by 2015.

Part II: Possible elements of draft decision text on matters relating to paragraphs 36–38 of the Cancun Agreements

In response to call for further input in the form of specific, concise drafting proposals to the revision of the Co-facilitator's summary of discussion on matters relating to paragraphs 36–38 of the Cancun Agreements, Parties have also provided proposals on elements for a draft decision on mitigation. These proposals are contained in FCCC/AWGLCA/2011/MISC.9/Add.1.