



## **AUSTRALIA**

### **Additional views on draft text to facilitate negotiations at the 10<sup>th</sup> session of the AWG-LCA**

#### **Submission to the AWG-LCA**

This submission responds to the invitation of the AWG-LCA, for Parties to provide additional views on the preparation of a text to facilitate negotiations at the tenth session of the AWG-LCA.

Australia is committed to achieving a, fair and effective global outcome that holds global temperature increase to below two degrees Celsius. The Copenhagen Accord is a welcome and major step toward this outcome. The Accord represents the political agreement of 123 countries from both developed and developing countries across all regional groups. It represents significant progress on a number of complex issues, including mitigation, MRV, REDD and finance.

It is critical we capitalise on the Accord's achievements and use it as the core of a new text to move negotiations forward. The undertakings in the Accord were reached as part of a package, and it will be important that all elements are addressed effectively. Progressing work in a single contact group will improve the efficiency of our work, allow us to better consider issues in a holistic fashion, and minimise duplication. Specific technical issues could be taken forward in well-targeted, topic-specific sub-groups.

#### *Adaptation*

Adaptation is a critical aspect of the negotiations and we welcome the progress made in Copenhagen. The text on adaptation in Annex II of FCCC/CP/2010/2 reflects this progress and is a sound basis for future negotiations on adaptation.

We welcome agreement by Parties to establish an Adaptation Framework to encompass all Parties and guide enhanced action on adaptation. The key outstanding issues for discussion include details of the framework, institutional arrangements and risk management approaches. In Australia's view, the issue of the impact of response measures is a separate issue to that of adaptation. It is possible to

make significant progress on adaptation in 2010 and Australia is determined to see a strong outcome on adaptation in Cancun.

### *Mitigation*

Australia welcomes the mitigation pledges put forward by many countries – both developed and developing – recorded in the Appendices to the Accord. There is a need for further discussion on countries' mitigation pledges in order to increase ambition and foster transparency and understanding of the global effort to mitigate greenhouse gas emissions. As has been the case in AWG-KP discussions on the quantum of emission reductions for Annex I countries under the Kyoto Protocol, Australia anticipates that the AWG-LCA will dedicate a significant proportion of contact group time at the next, and subsequent, meetings to allow countries to discuss their mitigation pledges.

Establishing a vehicle for recognising and recording mitigation actions by all Parties will be key to a strong outcome. The Accord creates a common architecture for mitigation commitments and actions by all Parties, such that developed and developing country efforts are recorded in separate appendices in a single instrument. The format and character for recording mitigation contributions is the same for all Parties (inscription in Appendices to the final outcome). Continued negotiations in the AWG-LCA should build on the Accord's approach with the aim of developing a durable, legally-binding architecture.

Previous discussions and proposals considered in the AWG-LCA negotiations provide useful context for this work. Australia's National Schedules proposal<sup>1</sup> is a natural elaboration of the Appendices device in the Accord. Like the Accord, Schedules establish a common vehicle for recording mitigation contributions with different expectations for developed and developing countries in accordance with national circumstances and respective capabilities.

The Schedules proposal seeks to create a single durable and flexible framework that maximises the range of mitigation commitments and actions that Parties can record. The single vehicle format also acts to increase the transparency of mitigation actions by creating a degree of standardisation that will facilitate accessibility of the commitments provided. This will allow Parties to be recognised internationally for the full spectrum of their mitigation efforts. The Accord provides a strong endorsement for this approach and the Schedules proposal should be included in the negotiating text.

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<sup>1</sup> For further information, see Australia's May 2009 submission "*Legal Architecture for a Post-2012 Outcome*" at: <http://www.climatechange.gov.au/en/government/initiatives/unfccc/submissions.aspx>

The Accord also provides useful guidance on the relationship between the vehicle for recording mitigation commitments and actions and a Registry to record proposed actions seeking international support. Going forward it would be useful to elaborate on this relationship, including the mechanics of how they would interact with each other.

#### *Measurement, Reporting and Verification (MRV)*

The measurement, reporting and verification of mitigation actions is fundamental to the environmental integrity of the climate regime. Australia is of the view that by COP16 Parties should be in a position to agree on the guidelines that will operationalise the aspects of the Copenhagen Accord that relate to measurement, reporting and verification of mitigation actions. In this regard, the draft negotiating text should reflect the outcomes of the Accord, to allow Parties to progress discussions on the form and contents of the guidelines. Settling the details of these arrangements will be a critical task in 2010.

#### *Finance*

Australia recognizes the pivotal role financing has to play in furthering climate change action. As such we are committed to working actively to operationalise all financing elements of the Accord, including the immediate implementation of fast-start financing over 2010-2012. A pragmatic approach to discussions on the technical elements, including the flexibility to use a range of fora, could assist to secure faster progress on climate change financing.

Australia welcomes the establishment of the United Nations Secretary General's High-level Advisory Group on Climate Change Financing and its role in examining long-term sources of financing. We endorse measures to enhance the transparency and broad ownership of the work undertaken. The proposed work program for the High-level Advisory Group is consistent with the agreement by leaders under the Accord and should help to progress issues within the UNFCCC context.

#### *Markets*

The Accord clearly endorses the use of markets to enhance the cost-effectiveness of, and to promote, mitigation actions. The negotiating texts in both groups should reflect this outcome by acknowledging the central role of market mechanisms. Work on the draft text contained in FCCC/AWGLCA/2010/2, Annex VII should focus on the market-based approaches section with the aim of providing an operational framework for the post-2012 market mechanisms. In Australia's view, the core elements of this framework are:

- continuation and reform of the Kyoto Protocol flexibility mechanisms (the clean development mechanism, joint implementation and international emissions trading);
- establishment of new mechanisms, including a sectoral market mechanism incorporating a REDD market mechanism, to assist developing country Parties to take mitigation actions that contribute a net mitigation benefit;
- provisions to allow all Parties to participate in any market mechanisms appropriate for their mitigation contribution and to use units generated by any market mechanisms to meet their mitigation contributions; and
- provisions to ensure environmental integrity and prevent the double-counting of emissions reductions and removals.

#### *Reduce Emissions from Deforestation and Forest Degradation (REDD+)*

Substantive progress was made on REDD+ at Copenhagen. The text on REDD+ in Annex V of FCCC/CP/2010/2 reflects this progress and is a sound basis for future negotiations on REDD+. In order to operationalise a REDD+ mechanism under the UNFCCC, significant progress on carbon markets and the aspects of measurement, reporting and verification that relate to REDD+ will be necessary.

#### *Technology*

International cooperation on technology is critical to our efforts to decouple emissions growth from economic growth. We are pleased that Parties are close to agreement on a Technology Mechanism to accelerate the development and diffusion of key technologies. We look forward to finalising the details of this mechanism this year.

#### *Other issues for inclusion in the draft text*

Consideration will need to be given to the inclusion of the land and forestry sector under the AWG-LCA. Additionally, the draft text should ensure consistency of coverage of emissions and in accounting across both Ad-hoc Working Groups. Finally, we look to the UNFCCC to provide a clear mandate to progress negotiations on bunker fuels.