

First in-session workshop of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

Summary by the Chair

I. Introduction

1. At its first session, the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) agreed to hold an in-session workshop during its second session. This workshop was held in Nairobi, Kenya, on Tuesday, 7 November 2006. The Vice-Chair of the AWG, Mr. Luiz Figueiredo Machado, chaired the workshop.
2. The workshop aimed to facilitate the presentation of information relevant to the work of the AWG and enabling an open exchange of views to clarify this information and, as appropriate, identify information gaps.
3. The workshop was open to all Parties and to observers and was well attended. It was structured around the following two clusters of topics:
 - (a) Work on the scientific basis for determining further commitments for Annex I Parties, including on scenarios for the stabilization of atmospheric concentrations of greenhouse gases (GHGs) and on the implications of these scenarios;
 - (b) Emission trends for Annex I Parties, the mitigation potential of policies and technologies in different national circumstances, including experience gained so far, and the costs and benefits of emission reductions.
4. Presentations were made by Brazil, the European Community, Japan, New Zealand, Norway, South Africa, the Intergovernmental Panel on Climate Change (IPCC) and the UNFCCC secretariat. The presentations and any supporting documentation are posted on the internet at the UNFCCC website: <http://unfccc.int/meetings/cop_12/in-session_workshops/items/3884.php>

II. Summary of key issues raised in the presentations and discussions

5. The presentations addressed a broad range of issues of relevance to the work of the AWG. Many speakers stressed the urgency of making progress, referring to the adverse impacts of climate change, including the threat of serious and irreversible damage, that would affect all, but most seriously the poor.
6. In his report the Chair highlighted, in paragraphs 7–21, the following points from the rich presentations and discussions.
7. During the workshop, it was mentioned that the tasks of the AWG are closely related to the ultimate objective of the Convention, as set out in Article 2. While the Kyoto Protocol is important in achieving progress to that end, its first commitment period is viewed as inadequate to achieve the objective. A second commitment period must then deliver more in order to advance rapidly towards the objective.
8. Several presentations referred to the usefulness of a long-term aspirational goal to guide the efforts of the AWG. Different metrics for such a goal are possible, including defining the goal in terms of sea level rise, temperature increase, radiative forcing, GHG concentrations in the

atmosphere or global emission levels. Parties stressed the importance of basing future commitments on sound science and reliable economics.

9. In its third assessment report, the IPCC reviewed emission scenarios leading to the stabilization of carbon dioxide concentrations in the atmosphere at different levels between 450 and 1000 ppm. These scenarios are linked with very different expected impacts, some of which clearly entail serious threats to ecosystems and human health and welfare. Adaptation to the impacts will be part of any strategy, but the adaptation challenge will increase the longer emissions remain at high levels.

10. According to the scenarios, GHG emissions have to be reduced to very low levels in order to stabilize their concentrations in the atmosphere. To balance emissions and the earth's absorptive capacity, global GHG emissions must be reduced to well below half of current levels.

11. After bringing emissions down, there will be a delay before the stabilization of atmospheric concentrations, and even longer delays before average temperature and sea levels stop rising.

12. Different levels of ambition are associated with different climate change impacts, different efforts to reduce emissions and different costs. In determining the ambition level, it is important to balance the risk of insufficient and excessive action. In doing so, it is critical to avoid locking economies or sectors into the wrong technologies that in some cases have a long economic lifetime. It was pointed out that, in line with the precautionary approach, any lack of full certainty should not be used as a reason to postpone action.

13. The point was made that emissions of Annex I Parties that are Parties to the Kyoto Protocol constitute a relatively small share (estimated at roughly 30 per cent) of global GHG emissions. This picture changes, however, if cumulative emissions (rather than annual emissions) are considered. It was stated that the willingness of Annex I Parties that are Parties to the Kyoto Protocol to make ambitious commitments would be influenced by encouraging action by other Parties to the Convention.

14. Equity, fairness and efficiency are key aspects that must guide the determination of future commitments. Reviewing historic responsibility and present as well as future capabilities can assist in allocating the required overall emission reductions to individual Parties. The polluter-pays principle is also relevant in determining the burden sharing.

15. According to data submitted to the UNFCCC secretariat, it has been possible to decouple emission growth from economic growth. Greenhouse gas emissions from all Annex I Parties taken together decreased by 3.3 per cent from 1990 to 2004. This decrease in emissions accompanied a growth in gross domestic product of more than 30 per cent. For the Annex I Parties that are Parties to the Kyoto Protocol, GHG emissions decreased by about 15 per cent from 1990 to 2004. The countries with economies in transition (EIT) among those reduced emissions by 37 per cent, while emissions in non-EIT Parties to the Kyoto Protocol increased by 3.7 per cent.

16. Several Parties referred to studies on the cost of emission reductions. A broad portfolio of mitigation options to substantially cut emissions is available at reasonable cost. New technologies are close to being marketable. An extensive set of policies and measures have been successfully applied. Active public policy is essential to combat climate change and there is growing evidence that such policies are compatible with or are even an essential part of sustainable development and economic growth strategies.

17. Several presentations emphasized that the carbon market has experienced dynamic expansion providing incentives for the private sector to find opportunities for emission reductions. Emissions trading at the national and regional level has proven to be a powerful instrument to ensure cost-effective emission reductions. The clean development mechanism has initiated valuable sustainable development projects in developing countries and assisted Annex I Parties to advance to meeting their commitments under the Kyoto Protocol. Also joint implementation has got off to a good start.

18. The carbon market still has tremendous potential, but the Kyoto mechanisms require continuity after the first commitment period to continue their expansion. And the demand for credits generated through the mechanisms is expected to increase in future commitment periods to sustain the market value of carbon.

19. Effective mitigation strategies should encompass all relevant sectors and make use of all cost-effective technologies at hand. The private sector has a key role to play in technology development and in the transfer of technologies to developing countries. For successful technology development and transfer, governments need to ensure close involvement of the private sector.

20. Agricultural emissions constitute a sizeable share of global GHG emissions (estimated at about 14 per cent). Agriculture is crucial to secure global food security and hence important for sustainable development. There is a limited range of options to reduce emissions of methane and nitrous oxides from agriculture, and a need for further research.

21. Climate change action in the energy sector can enhance access to energy services, increase energy security and reduce local and regional air pollution. Several presentations emphasized the considerable potential to reduce emissions through enhanced energy efficiency.

22. Concluding, the Chair thanked the presenters for their valuable contributions, the delegates for their useful questions, comments and discussion, and the secretariat for its support in organizing the workshop.

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