

# AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION

## INFORMAL SUMMARY OF THE AWG-LCA WORKSHOP

### In-session workshop on quantified economy-wide emission reduction targets by developed country Parties

2 September 2012, Bangkok, 30 August-5 September 2012

### Summary by the Facilitator of the workshop on issues raised by participants

#### Panel 1. Approaches to measure the progress towards the achievement of targets by developed country Parties:

- In relation to **economy-wide emission reduction targets**,<sup>1</sup> Parties provided further clarity on:
  - The diverse set of assumptions and conditions associated with targets;
  - The base year, the GWP values, the coverage of gases and sectors, the use of inventory methodologies, and the level of commonality of approaches;
  - Different conditions associated with the use of carbon credits from market-based mechanisms and the land use, land-use change and forestry (LULUCF);
  - The importance of the transparency of information in measuring the progress towards the targets, which could be enhanced through biennial reporting and the process of international assessment and reporting.
- On **accounting rules**, Parties stressed:
  - The importance of rules-based approach to measure the progress towards targets and to avoid double-counting of emission reductions;
  - The importance of harmonization of approaches across Parties, noting the need for flexibility to take into account national circumstances;
  - The importance of consistency with the Kyoto Protocol framework when accounting for carbon credits;
  - The differences in measuring the progress between Parties implementing their targets with pathways to transform them into carbon budgets and those Parties with targets for a single year.
- On the role of **carbon credits** from market-based mechanisms, Parties highlighted:
  - The need for further information on the expected role of market-based mechanisms;
  - That off-setting should not be seen as a means to maintain a business-as-usual path.
- On the role of **LULUCF**, Parties highlighted:
  - The need for further clarity on the role of LULUCF as well as the rules and modalities to be applied for the use of LULUCF credits;
  - The need to consider whether some of the new LULUCF rules agreed for the second commitment period of the Kyoto Protocol, in particular the rules relating to the treatment of natural disturbances, could be applied to measure the progress towards the targets under the Convention.

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<sup>1</sup> The targets as reflected in document FCCC/SB/2011/INF.1/Rev.1.

**Panel 2. Ambition of pledges by developed country Parties, and related assumptions and condition:**

- On the **ambition of pledges**, Parties provided their views on:
  - The importance of the equity principle in the context of ambition;
  - The mitigation efforts needed to close the emission gap (ranging from 6 to 11 Gt CO<sub>2</sub>eq in 2020<sup>2</sup>) in the lead up to and beyond 2020 in the context of staying within the goal of keeping the temperature rise below 2 °C;
  - The urgency of enhancing efforts in order to follow an indicative emission pathway that is compatible with the long-term emission projections, based on the IPCC assessment,<sup>3</sup> UNEP Emissions Gap report and other scientific studies;
  - The need to close the ambition gap based on good science, recognizing that changes in global and regional economies can drastically affect our ability to make emission projections as demonstrated by the period of the early 1990s in Eastern Europe and more recently by the global recession of 2008-2009;
  - The need to broaden the number of mitigation actions and Parties making pledges, enhancing current pledges and adding new commitments to close the ambition gap;
  - The importance of domestic policies by developed country Parties to move to emission reduction levels in line with the IPCC ranges;
  - The contribution of ex-ante understanding of targets, accounting rules and expected use of off-sets to the increase in the level of ambition;
  - The importance of UNFCCC negotiations and other processes in building confidence among Parties in enhancing the ambition of pledges, e.g. G-20 actions on removing fossil fuel subsidies;
  - Lessons learned in attaining the goals of the Convention by developed country Parties;
  - The trade-offs and balance between being overly ambitious and increasing the level of participation, and noting that achieving both would be the best outcome of our work.
  
- On the **assumptions and conditions related to ambition of pledges**, Parties provided their views on:
  - The overall lack of clarity on whether the conditions associated with the targets by developed country Parties have been met or could be removed;
  - The need to continue exploring conditions, what they mean, and when and how they are met;
  - The risk of conditions associated with pledges by developed country Parties becoming obstacles to enhancing the ambition;
  - The conditions related to and uncertainty of developed country Parties' targets vis-à-vis conditions and uncertainties of developing country Parties' NAMAs;
  - The carry-over and the use of surplus AAUs from the first commitment period of the Kyoto Protocol could undermine the ambition of current pledges;
  - The lack of economic incentives for Parties to further reduce emissions, e.g. due to the low carbon prices;
  - The launch of ADP as a step toward to an inclusive agreement which would meet some of the conditions for enhanced action set by a number of Parties in relation to their targets.

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<sup>2</sup> Emissions gap report, UNEP.

<sup>3</sup> Assumed decrease of developed country Parties' emissions by 85 per cent by 2050 relative to 1990.

- On **comparability of mitigation efforts**, Parties highlighted:
  - Comparability of efforts as a requirement of the Bali Action Plan for developed country Parties and the importance of information on such comparability for the outcomes of the 2013–2015 review;
  - The need for a process to gradually improve data, capabilities and metrics in order to facilitate consideration of comparability and further clarify targets;
  - Three aspects of comparability deemed important by some Parties: the legal nature of commitments, accounting rules and associated compliance arrangements;
  - The possibility of establishing panels on comparability and compliance;
  - That comparability can help build trust and confidence in making pre- and post-2020 pledges.

**Some takeaway points and possible way forward:**

- Parties suggested the following activities:
  - Organizing another workshop on clarification of targets structured around elements relating to approaches to measure the progress during COP 18;
  - Continued use of a common template in the submissions of views by Parties on further clarification of targets and a compilation by the secretariat of information contained in the submissions;
  - Preparing the further updates of the technical paper on the targets by the secretariat as new information becomes available to provide a synthesis of information mentioned in the previous bullet;
  - Developing a menu of options to increase the ambition, e.g. further support to REDD plus, in the lead up to COP 18;
  - Organizing a high level round table on ambition at COP 18;
  - Launching a technical work programme on development of common accounting rules under the subsidiary bodies after COP 18.