Ad Hoc Working Group on Long-term Cooperative Action Agenda item 3.2.1 Discussion of matters relating to paragraphs 48-51 of the Cancun Decisions

Comments of the United States

Note: The U.S. proposed striking all section headings, which is preferred. If headings are retained, we would like our proposed alterations on the headings to be reflected.

[General]

1. Parties had a constructive discussion on matters relating to paragraphs 48 - 51 of the Cancun Agreements (decision 1/CP.16), including: the understanding of the aim of achieving deviation in emissions relative to "business as usual" emissions in 2020; the overall ambition of developing country targets; how to take forward the mitigation actions currently compiled in document UNFCCC/AWGLCA/2011/INF.1; formats and processes envisaged for Parties who may wish to voluntarily inform the Conference of the Parties of their intention to implement nationally appropriate mitigation actions (NAMAs); the future work required to understand the diversity of mitigation actions submitted, underlying assumptions and any support needed for their implementation; and how to advance the work in lead up to Durban and beyond.

[Ambition/and Deviation in emissions relative to "business as usual" emissions in 2020]

1.bis. 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 differ among Parties. [Some Parties prefer 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 prefer to contain this consideration for the developed country Parties alone. Some Parties consider that the overall level of ambition and accounting is central to any outcome in Durban. Others noted that ambition and accounting were both addressed in specific ways in the Cancun decisions. A number of Parties noted that neither ambition nor matters associated with accounting can appropriately or successfully be addressed in two separate tracks, but that any further consideration would need to be in a setting common to Annex 1 and non-Annex 1 Parties.

2. Some Parties considered that the aim of achieving a deviation in emissions relative to "business as usual" as called for in paragraph 48 of the Cancun Agreements, should be considered in a broader context encompassing all Parties addressing the need for global emissions reductions. Others stated that their understanding was that the concept of ambition did not apply to developing country Parties, but rather what applies to developing countries is the

understanding of diversity of mitigation actions. <u>Still others stated the view that Cancun does not mandate international actions with respect to consideration of Party actions beyond the workshops specified in paragraphs 38 and 51, and considered that these paragraphs do not constrain the nature of the consideration of Party actions in the future to the issues specified in those paragraphs.</u>

- 3. Some Parties reiterated that the invitation in paragraph 50 provides an opportunity to regularly <u>and voluntarily</u> update document UNFCCC/AWGLCA/2011/INF.1, <u>as actions</u> <u>supported and recognized should fall under the scope of actions to be undertaken by developing country Parties</u>, and that Parties should be encouraged to submit new or updated information on mitigation actions <u>as appropriate</u>. It was stated that this could be done annually or as frequently, as Parties submit information on new NAMAs and/or submit new information related to the actions already communicated. Other Parties stated that the invitation in paragraph 50 to developing country Parties to submit information on NAMAs is voluntary and as such the update of such information should happen in the registry.
- 4. Some Parties stated the need to ensure that future accounting rules/systems are applicable to both developed and developing countries, stating also that these accounting rules should be flexible to allow countries to maximize on their mitigation efforts.
- 5. Views and proposals made by Parties on how to increase the level of ambition enhanced action by developing countries, in the context of achieving a deviation in emissions below .business as usual., are listed below. The list below is not an attempt to identify areas of convergence or divergence, nor is it intended to be comprehensive. 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 36-38.
 - 1. [NOTE: The US indicated in Panama that the list in the co-faciliators' note for paragraphs 36-38 should either be eliminated, or have an option in both documents 36-38 and 48-51 that are identical. We provide the option of a single, inclusive list; please bracket all items if any items are bracketed.]
 - (a) [Enhancing domestic efforts by developed country and developing country Parties;] (a.bis) [Continuing workshops under paragraph 38 and 51 to better understand targets and actions of developing and developed country parties.]
 - (b) [Removing conditionalities around the pledges targets and actions and moving to the upper more ambitious range of the pledges targets and actions;]
 - (c) [Establishing a common accounting framework for developed and developing countries;]
 - (d) [Establishing a compliance and international consultations and analysis (ICA) process;]
 - (dbis) [Considering issues pertaining to graduation of Parties into Annex I and Annex II]
 - (e) [Developing a framework and criteria for the formulation of low emissions 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;]
- (j) [Setting renewable targets for developed and developing country Parties;]
- (k) [Demonstrating that enhancing the level of ambition is economically feasible;]
- (l) [Development and implementation of low carbon development strategies;]
- (m) [Supporting implementation of NAMAs by developing countries;]
- (n) [Addressing global emissions of hydrofluorocarbons, and emissions from international aviation and maritime transport[, and asking related international organizations to implement this];
- (o) Updating the technical papers.
- [Holding technical workshops in 2012 to deepen the understanding of methodologies and assumptions underlying the NAMAs mitigation actions;] [From paragraph 10 below]
 - (p) [Understand the current nationally appropriate mitigation action, their underlying assumptions, diversity and effects;]
- (q) [Understand the support needed for implementation and enhanced action;]
- (r) [Agree on a format to capture the necessary information;]
- (s) [Develop global options to raise collective ambition through enhanced cooperation;]
- (t) [Development and implementation of low carbon development strategies;]
- (u) [Supporting implementation of nationally appropriate mitigation actions by developing countries;]
- (v) [Developing a common accounting framework that can maximize global mitigation efforts;]

[Accounting framework]

5bis. Many Parties highlighted the importance of a common accounting framework, 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 could relate to transparency and the understanding of targets.

5ter. 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. Many Parties noted the importance of any approach pertaining to accounting as covering both developed and developing country Parties. Overall there was no convergence of views on the common accounting rules and framework.

[Support needed for the implementation of NAMAs]

- 6. Some Parties called for the strengthening of the concept of enablement (provision of finance, technology and capacity-building) provided for in paragraph 48 of the Cancun Agreements and mentioned that a decision on financing to support preparation and implementation of NAMAs is necessary, including support for institutional arrangements at the national level. Many Parties stated that it is necessary to step up support for enhanced action on mitigation by developing countries; it was noted that these issues are being taken up under relevant agenda items of the AWG/LCA. Some called for the set of implementation system for NAMAs.
- 7. Some Parties mentioned that paragraph 52 should be discussed jointly with the paragraphs 48 -51. For these Parties provision of support could potentially unlock the desire to increase ambition, even though the paragraphs 48 51 do not specifically talk about increase in ambition by developing countries. The significance of the registry as an instrument to facilitate increased level of mitigation actions was seen as important. Other parties also stated that developing countries are already contributing to global mitigation efforts and that developing countries will continue to implement mitigation actions in the context of their sustainable development and according to their national circumstances.

[Understanding the diversity of Enhanced information on mitigation actions]

- 8. Many Parties welcomed the workshops organized by the secretariat to understand the diversity of mitigation actions submitted. Some, however, stated that the workshops are not enough and there is the need to go beyond that.
- 9. A number of Parties called for more comprehensive information on the mitigation actions of developing countries, with the aim of understanding the diversity of actions, the effects of the actions as well as information on and assumptions underlying mitigation actions. There were several proposals for increasing the understanding of the diversity of NAMAs of developing country Parties. Some Parties stated that "diversity" is a characteristic of nationally appropriate mitigation actions by developing countries and is not a shortcoming or a problem to be solved. Others noted that "understanding diversity" is only related to the workshops held this year, and is not a basis on which to carry forward further work on developing country actions.
- 10. The list below 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 up to and during the discussions related to understanding diversity of mitigation actions:
 - (a) <u>Understanding better the targets already put forward, including nonconditional</u> 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 accounting assumptions, in a structured format/common template that could feed into updating the technical paper on developed country targets be included in an INF document, with periodic updates as appropriate. Such information could include, inter alia:

- the reference value of the target or action (such as the base year, reference year, and/or business-as-usual and GDP trajectory);
- the gases covered by the target or action;
- the sectors covered by the target or action;
- the global warming potential values used (if different from AR4);, and
- relevant assumptions, including the role of land-use, land-use change and forestry, and market mechanisms;
- (b) <u>Including updates to document FCCC/LCA/2011/INF.1 to reflect updated information;</u>
- (c) Establishing a common template based approach for recording the actions and assumptions as well as accounting elements;
- (d) [Further submission of information from Parties on the mitigation actions referred to in document FCCC/AWGLCA/2011/INF.1 using a common structured format/common template. The information called for included clarifications on which sectors and gases were included in the mitigation actions, as well as other elements of factual information and assumptions;] (NOTE: See 10 (a) above for substitute text)
- (e) [The use of a common template for NAMAs mitigation actions which was submitted by one Party;] (NOTE: see 10 (a) above for substitute text.)
- (f) [Enhanced reporting of information on NAMAs mitigation actions through national communications and biennial update reports, as well as the process of international consultation analysis (ICA) will also offer greater understanding of the diversity in NAMAs mitigation actions and associated methodologies and assumptions;]
- (g) [Holding technical workshops in 2012 to deepen the understanding of methodologies and assumptions underlying the NAMAs mitigation actions;] NOTE: This is more appropriately considered under paragraph 5 above]
- (h) [Request the Intergovernmental Panel on Climate Change (IPCC) to develop methodologies and guidelines to access the effectiveness of mitigation actions.]
- 11. Some Parties cautioned against the use of any form of standardized template as that could undermine the understanding of diversity in mitigation actions and national appropriateness.

[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 49-51 in the lead up to Durban. The list below 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:
 - (a) Continuing establishing a process, in the form of organizing workshops and updating technical papers in a structured manner, to understand better the overall effects of mitigation commitments or actions by developed country Parties and national appropriate mitigation actions by developing country Parties;

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

- (b) <u>Understanding the scale of the "ambition gap" and identifying options to address it;</u> 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 a common global accounting rules and framework in Durban;
- (d) <u>Creating a common space to discussion the level of ambition covering both developed and developing country Parties;</u>
- (e) <u>Developing and considering decision text as soon as possible in the context of Party</u> discussions in Durban.