

**CLIMATE CHANGE –**

**SUBSTANTIVE CONTENT ISSUES IN THE**

**LEAD UP TO DURBAN**

**May 2011**



# 2011 Process thus far

- First formal negotiating sessions - Bangkok & Transitional Committee on Green Fund, both in April 2011
- Informal meetings before Bangkok – Japan/Brazil Informal, BASIC, Cartagena Dialogue, Mexico Ministerial
- Informal meetings after Bangkok – BRICS, MEF, informal on Adaptation
- In the margins of these meetings - intensive bilateral consultations with Parties



# Current Status

- The big disagreement in Bangkok revolved around whether the decision made in Cancun set a new agenda for the content of the negotiations going forward (as put forward by the USA, Japan, Russia and Canada).
- Or whether the Cancun decision was a step along the way to the realization of the 2 track Bali Road map mandate including
  - A 2<sup>nd</sup> Commitment Period under Kyoto
  - A new agreement under the Convention capturing the USA & developing countries, particularly major emerging developing countries.
- Compromise - both the Cancun and Bali & clear that progress on either will not be achieved in isolation.



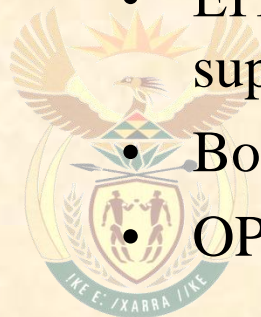
# Content of the Compromise

- Operationalisation of Cancun as well as unfinished business from Bali
- Agenda = (i) shared vision, (ii) adaptation, (iii) mitigation, (iv) finance, (v) technology (vi) capacity building
- Includes sectoral approaches not agreed in Cancun (Agriculture; Bunker fuel sectors) – EU, NZ
- Includes “addressing the needs of the countries with economies in transition” for Russia
- Includes unresolved political issues of
- The continuation of Kyoto & thus the legal form of the Convention outcome
- Treatment of IPR, Trade & Equity (access to SD)
- Review of the adequacy/ambition of the global mitigation effort



# Range of views and priority positions

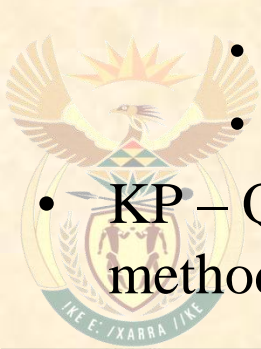
- Japan, Canada, Russia – no Kyoto 2<sup>nd</sup> CP – pledges in single agreement under Convention
- USA – symmetry with emerging developing country economies (i.e. China); no legally binding agreement under Convention, because;
- China, India – no new (or legal) obligations for them (without USA or Kyoto 2<sup>nd</sup> CP or equity)
- SIDS, LDC, Africa, other Developing Countries – increase ambition & 2 track legal on all major emitters & balanced treatment of adaptation (issue of trust)
- EU, Environmental Integrity Group – single legal agreement & possible 2<sup>nd</sup> CP if “wider agreement”
- EIT's, Turkey – access to finance technology & capacity building support (as for developing countries)
- Bolivia & ALBA – increase ambition; 2<sup>nd</sup> CP; no markets
- OPEC – adequate treatment of “response measures” under both tracks





# Emerging Political Balances

- General acceptance - Dbn - no “legally binding final agreed outcome”
- Durban will be a **next step** in reaching an “agreed outcome” (per Bali)
- As such an “incremental progress” paradigm and requires:
  - Balance Bali & Cancun—operational Cancun vs Bali unfinished business
    - Cancun – mechanisms, institutions, processes, modalities, progs & guidelines
    - Bali – KP, sector approaches; comparability; global goal & peaking; IPR; trade; response measures; equity (equitable access to SD)
  - Balance the 2 tracks—Kyoto 2<sup>nd</sup> CP & legal form under Convention
    - 1<sup>st</sup> CP ends in 2012 – cannot defer decision on legal gap
    - Fate of KP linked to legal form of outcome under Convention
  - Balance within ea track –progress on all issues of Durban package
    - Equal priority between adaptation & mitigation
    - Balance (symmetry) within mitigation, particularly reporting & verification
    - Mitigation balanced with support (Finance, Technology & capacity building)
- KP – QELRO’s; mechanisms; rules; response measures; new gasses; methodologies



# Challenges for Durban (given only 16-18 days formal negotiating time)

- Balance between Bali and Cancun –
  - Cancun –generating negotiation text - 35-40 decisions (maybe omnibus)
  - Bali –creating political agreement on unfinished business & thereafter text
- Balance between the 2 tracks –
  - Kyoto –politically resolve its' future – G77 & EU engaged on conditionalities
  - Convention –political resolution the future legal form &/or process to decide this
- Balance within each track –
  - Kyoto –political resolution of “targets then rules” or “rules then targets” question & thereafter negotiating the text – linked to the EU/G77 discussion above
  - Convention –ensure balanced progress on all issues (i.e. prevent hostage taking) – technical progress on agreed issues & political progress on unfinished business
- Given the above volume of work, building a parallel process supporting of the formal negotiations



# Proposed strategic approach

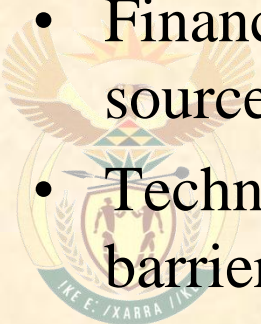
- Incoming SA COP/CMP Presidency mandated to conduct inclusive and transparent consultations
- Use this mandate to build parallel process linked to formal negotiations (consulting with SB chairs)
  - Technical work on Cancun - to prepare proposed options text
  - Negotiator consultations on approaches to resolve technical options & identify issues that require political guidance
  - Political Ministerial Consultations on unresolved political issues
- Due to volume of work recommend clustering of issues – each meeting 1-3 days depending on issue
- Due to lack of resources – back-to-back with existing meetings or in partnership with donor country





# Recommended clustering of issues

- Shared Vision – global goal; global and national peaking; ambition; equitable access to SD (equity)
- Legal & Review – KP 2<sup>nd</sup> CP; legal form of Convention outcome; Art 17 proposals; 2013-15 review
- Adaptation – Adaptation Committee; Adaptation Framework; planning; loss & damage; centres
- Mitigation – Annex 1 targets linked to KP QELRO's; NA1 NAMA's; comparability; increasing ambition; registry; sectoral approaches; response measures; KP mechanisms, rules & methodologies
- MRV – guidelines for A1 RRTR/IAR & MRV of support vs guidelines for NA1 domestic MRV/ICA;
- Finance – Transitional Committee; Standing Committee; Fast Start; sources & scale; adaptation fin
- Technology & Cap Bld – Tech Exec Comm; Centre & Network; barriers (e.g. IPR)



# Recommended scheduling (**TM**: Technical; **NM**: Negotiator; **MI**: Ministerial)

	May	June	July	Aug	Sept	Oct	Nov	Dec
Mitigation		AWGs NM		NM	AWGs			COP
Adaptation	TM	AWGs		TM	AWGs			COP
Finance		AWGs	NM		AWGs	MI		COP
Tech & CB		AWGs			AWGs NM/TM			COP
Shared Vision		AWGs NM			AWGs		NM	COP
MRV	TM	AWGs	TM		AWGs			COP
Legal & Review		AWGs			AWGs	NM		COP
Durban Package			MI		MI		MI	

# Thank you

