

## “Various Approaches” text to go to ministers

Durban, 9 Dec (Payal Parekh) – With no consensus in the Informal group tasked with Various Approaches including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind different circumstances of developed and developing countries under the Ad-hoc Working Group on Long Term Cooperative Action under the Convention (AWG-LCA), a text with options will be forwarded to the ministerial level.

On 8 December the facilitator Mr. Giza Gaspar Martins of Angola reported at the informal group and said that there was no new text because he needed to hear from the Parties on how to best reflect the divergence of views. However Parties expressed their desire for text that reflected their views.

The **European Union** stated that there are two main issues; whether to establish a new market-based mechanism or not and the issue of developing a framework. With regards to a new mechanism the EU outlined three options: agree to establish one now, don't establish one or postpone the decision and have a work programme. With regards to the framework they are divergent views on whether the framework would be rule based or loose and linked to a common accounting system or Parties can do as they choose. EU expressed that it wants a rule-based system and a wider accounting framework. The three options that apply to a new mechanism also apply to the framework.

**Papua New Guinea** asked the facilitator to clarify what the outcome of the session would be. He responded by saying that the comments will inform the report to the chair. The chair can then decide when and how the discussions continue.

**Japan** stated that approaches are needed to enhance cost-effectiveness and mitigation. Countries should be able to make their own approaches and apply their own standards. It further said that common ground had emerged and that it submitted text to make a new option with a work programme to allow discussions to continue so that understanding of what type of

mechanism will be developed. Japan stated it has support from other Parties.

**Switzerland, speaking on behalf of the Environmental Integrity Group (EIG)**, stated that it wants to ensure environmental integrity and flexibility. There have been several iterations of the text that have weakened the application of standards to various approaches. Originally the text called for common rules and guidance, then assessed common standards and finally voluntary use of standards that may have no commonality. Switzerland further stated that it does not want a straight jacket that regulates the smallest details, but a compromise solution to have the greatest flexibility with a common framework that is developed. Certain countries state that it is premature to have standards, but approaches are being developed anyway. The EIG finds that the draft text of option 1 from the 6 December 17.30 text presents a balanced compromise and asked Parties to reconsider the situation so that a draft text can be forwarded to ministers that ensures environmental integrity and mitigation, as well as a work programme and no decision option.

**China** stated that it has a positive attitude toward mechanisms that shall be based on common rules in order to compare efforts of developed countries. But on this issue there are divergent views. China reiterated that there cannot be bottom up approaches without common rules and that a process is needed to discuss issues. It also suggested that no decision at this time may be appropriate so that the big picture is clearer.

**Papua New Guinea** stated that any text forwarded to the AWG-LCA Chair should be seen and endorsed by Parties beforehand. It also endorsed the EIG's proposal of working with an earlier version of the text, a no decision option and a third option which begins with paragraph 4 from option 1. It also stressed that it wants a rule-based approach that is flexible.

**Brazil** stated that it prefers an option of continuing consideration. It is currently not prepared to accept the establishment of mechanisms as relevant issues need to

be discussed including consideration of common standards.

**Australia** stated the importance of markets in reducing emissions and the necessity of deep and liquid markets. It also said that there is much that Parties agree on including a new mechanism for developed and developing countries.

The **United States** was disappointed that there is not a revised text and concurred with the EU, Brazil and China regarding the options. It would like to see a text for the ministers that lays out options. The US also said that it needs a system that reflects sub-national programs from the US, but is not ready to determine how its program is connected to other mitigation options.

**Grenada, speaking on behalf of AOSIS**, stated that common standards must first be established to develop a new mechanism, there must be eligibility requirements including the acceptance of targets under the Kyoto Protocol, supplementarity and share of proceeds.

**South Africa** stated that there has been progress in the past year and Parties are close to reaching common ground. It likes the text of 6 December 17.30 although work is still needed on supplementarity, governance and equitable access. It also said that the use of mechanisms is conditional on a second commitment period of the Kyoto Protocol and comparable QELROs (quantified emission limitation and reduction objectives). South Africa stated that it would like to discuss principles and standards over the next year with a clear work programme with a view to establish a new mechanism.

**New Zealand** stated that a market needs to be credible and flexible. It is essential to discuss frameworks, rule standards. While there are divergent views on the latter, it should be possible to move on the first and suggested a work programme for both. It challenged Parties to go for something greater than a least common denominator text. It also supported the call for an options paper with the establishment of a new mechanism and consideration of a framework, work programmes for both and a no decision option.

**Bolivia** stated that it has serious concerns regarding various aspects of markets and that virtually any mechanism can be approved. It doesn't understand how a new mechanism can be created when countries are not willing to agree to a legally binding mechanism. Various approaches should be discussed, but we are only focusing on one and stated that option 4 (no decision) from Panama's text is its preference.

**Saudi Arabia** expressed that it is disheartening to not have produced something more. There is a compromise on developing a work programme. The issue is political

and affected by issues not moving in other areas. It was not possible to produce something that was independent of other tracks.

**Norway** stated that there is a great deal of convergence but need to go further. It supports New Zealand's suggestion to continue with the two concepts. Norway also said that it supports the EU, EIG and Australia. It doesn't want to miss another chance to have international markets that are connected and have standards. It is positive to know that others want to engage on what is needed.

**Colombia** stated that it also supports a text with clear options and finds that the EU has expressed clear options.

**India** stated that although the world is warming and time is running out to submit something to the ministers, getting text to the ministers cannot be at the cost of losing principles such as "polluter pays". Until there is a second commitment period, it cannot agree on a market-based mechanism. The only option it sees is the proposal of Saudi Arabia to a work programme. If nothing is agreed, there should be no text to the ministers.

**Ukraine** stated that it would like to get all options to the ministers so that the various views in the room are reflected and the ministers have the possibility to make an agreement.

The **EU** said that new mechanisms are a part of its broader package and also stressed that there has been progress, which is ready for a decision at the ministerial level. It expressed that the options are reflected in the version of the text from 6 December and subsequent versions. It agrees with New Zealand's outline of the options.

The facilitator summarized views of Parties. In the case of a new mechanism some say yes, others no, and some maybe. In the case of a framework it is similar, but some that want a framework want it to be strict, others loose. There is some commonality on what to do with the work programme.

He also stated that at this stage it up to the AWG-LCA chair on how to proceed. As positions are being repeated it is not possible to resolve the issues.

The US stated that it is not comfortable with text going forward to ministers without this group seeing it first. It is a huge problem for its delegation. It said that refusing to allow us to see a text won't work for us.

PNG also agreed with the US.

A revised text will be prepared by the facilitator with options for ministers to consider.