

SB 30 AND AWG HIGHLIGHTS: MONDAY, 1 JUNE 2009

The Bonn Climate Change Talks began on Monday morning with the opening plenaries of AWG-LCA 6 and SBI 30. They were followed by opening plenaries of AWG-KP 8 and SBSTA 30 in the afternoon.

AWG-LCA 6

ORGANIZATIONAL MATTERS: Stressing the need to enter into full negotiating mode, AWG-LCA Chair Michael Zammit Cutajar (Malta) opened the session and parties adopted the agenda (FCCC/AWGLCA/2009/6). On the organization of work (FCCC/AWGLCA/2009/7), parties agreed to a first reading of the negotiating text in an informal plenary. AWG-LCA Chair Zammit Cutajar said the next steps would be decided after the first reading. Parties agreed to informal consultations on the legal form of the outcome and further organization of work.

OPENING STATEMENTS: Sudan, for the G-77/CHINA, highlighted the meeting as a turning point for the AWG-LCA, with commencement of substantive discussions on the content and form of an agreed outcome in Copenhagen. He noted that the negotiating text should contain a more balanced and clear reflection of the Group's proposals.

Algeria, for the AFRICAN GROUP, expressed concern that the negotiating text did not reflect the views of all parties in an equitable and balanced manner and said some of its elements were not consistent with the Convention. On mitigation, she identified the need to maintain a "firewall" between developed country commitments and developing country actions, called for adequate funding for REDD pilot projects and expressed concern with sectoral approaches.

Lesotho, for the LDCs, said the text should consider the needs of the most vulnerable countries and the requisite enhanced action on adaptation. Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), cautioned that "time is running out," and that the level of ambition in the Copenhagen outcome would determine the survival of small island developing states.

The Czech Republic, for the EU, and Australia, for the UMBRELLA GROUP, welcomed the text as a starting point for negotiations. The EU stressed interconnections between the different building blocks and interlinkages with the AWG-KP. Mexico, for the ENVIRONMENTAL INTEGRITY GROUP, supported, *inter alia*, a mid-term target by 2020, assessing technology needs, and coordination between the AWGs. The UMBRELLA GROUP urged consistency and coherence between the AWGs. She also supported flexibility to reflect the full

spectrum of mitigation efforts, and near-term commitments and actions, and long-term pathways for all parties. BELARUS advocated combining the two AWGs at this session and considering a single negotiating text under one AWG.

MALI said each AWG should continue to work separately until Copenhagen, and CHINA supported the continuation of double-track negotiations under the AWG-LCA and AWG-KP. He emphasized that developed countries should commit to ambitious emission reductions, as well as meet developing country needs for finance, technology transfer and capacity building. BOLIVIA said the text is unbalanced and requires substantial changes. INDIA said that: the text required greater balance; proposals not compatible with the Convention should be excluded; and paragraphs should reference the specific Convention Articles whose implementation they aim to enhance. He proposed addressing technology and finance in two distinct sections.

SAUDI ARABIA expressed concern that many proposals in the negotiating text go beyond the Convention and the Bali Action Plan. He opposed proposals to merge the AWG-KP and AWG-LCA, as well as proposals that would pass the burden from developed to developing countries. The PHILIPPINES lamented that the text on developing country mitigation is several pages longer than the text on developed country mitigation. AWG-LCA Chair Zammit Cutajar replied that the length reflects the number of interesting proposals on developing country mitigation, and encouraged parties to elaborate on their ideas on other issues.

The US highlighted ongoing work on draft legislation to reduce emissions by 17% below 2005 levels by 2020, and 83% by 2050. He expressed dismay with the text's structure, and concern over the proposal to close negotiations from observers after the first reading of the text. AUSTRALIA called for a strong outcome on mitigation. She said a spectrum of mitigation efforts was needed and that the LDCs should be fully supported in their efforts. The REPUBLIC OF KOREA highlighted the Seoul initiative for Low-carbon Green Growth in East Asia, and proposed: a paradigm shift toward low-carbon development; a registry for nationally appropriate mitigation actions (NAMAs); and a crediting mechanism for NAMAs.

The RUSSIAN FEDERATION called for commitments from all major emitters and burden sharing, taking into account country specificities and levels of economic development. He said historical responsibility should not be interpreted as a basis for imposing commitments on only developed countries. He also highlighted the recent Russian climate change doctrine

document, saying it provides the conceptual foundation for long-term practical measures and shows that Russia is prepared to make a fair contribution.

INDONESIA highlighted the Manado Ocean Declaration, adopted in May 2009, which identified the urgent need to address the impact of sea level rise. BENIN called for a funding mechanism, which should, *inter alia*, promote effective technology transfer. COLOMBIA urged greater emphasis on adaptation in the text and called for new, additional and predictable resources to support adaptation. EGYPT called for a balanced and fair agreement, and working in parallel with the AWG-KP. MAURITANIA stressed the need to speed up the translation of the negotiating text.

ARGENTINA highlighted that the four pillars of the Bali Action Plan are intrinsically related, and emphasized that the texts on mitigation and adaptation should also address finance and implementation. He called for global objectives, and said both production and consumption should be addressed. PERU stressed the link between the intensity of mitigation efforts and cost of adaptation. GUYANA urged progress on the role of forests, including REDD, sustainable forest management and conservation. PAKISTAN highlighted finance and technology and called for a clear, strong and cohesive institutional architecture, including a climate technology transfer mechanism. URUGUAY stressed the need to address mitigation in the agricultural sector, identifying the need for global cooperation on research and development, and for a mechanism to facilitate technology transfer. TOGO stressed the need to ensure the survival of future generations and to “drop selfish attitudes.”

The WORLD BUSINESS COUNCIL ON SUSTAINABLE DEVELOPMENT highlighted the key role that business could play in a post-2012 framework to stimulate investment and development, and noted that the global economic crisis points to the need for a sustainable low-emissions pathway. The CLIMATE ACTION NETWORK said the text contains options that could lead to destructive tipping points, and lacks ambition and a sense of urgency. The THIRD WORLD NETWORK described the submissions of several developed country parties as a substantial deviation from the Convention and the Bali Action Plan. INDIGENOUS PEOPLES' ORGANIZATIONS said any reference to REDD in the agreed outcome should include respect for indigenous rights and prior informed consent.

LONG-TERM COOPERATIVE ACTION: AWG-LCA Chair Zammit Cutajar and the Secretariat introduced the relevant documents (FCCC/AWGLCA/2009/7-9; FCCC/AWGLCA/2009/MISC.4 parts I-II and Add.1-2; and FCCC/AWGLCA/2009/MISC.5). The Secretariat also noted a proposal from Japan for a draft protocol to the Convention (FCCC/CP/2009/3) to be communicated to parties in accordance with Convention Article 17 (Protocols).

AWG-KP 8

ORGANIZATIONAL MATTERS: AWG-KP Chair John Ashe (Antigua and Barbuda) highlighted the six-month rule, noting that Protocol amendments proposed for adoption in Copenhagen must be communicated to parties by 17 June 2009.

Parties adopted the agenda and organization of work (FCCC/KP/AWG/2009/6). They agreed to take up together the sub-item on proposals for Protocol amendments pursuant to Article 3.9 (Annex I further commitments) and the sub-item on proposals on other issues in the AWG-KP's work programme.

OPENING STATEMENTS: Sudan, for the G-77/CHINA, expressed concern at the “extremely slow progress” in completing milestones under the AWG-KP's work programme. He lamented that the agenda for AWG-KP 8 does not include

items on central tasks, especially those in paragraphs 49(a) and (b) of the work programme (FCCC/KP/AWG/2008/8) relating to Annex I aggregate and individual or joint emission reductions.

Grenada, for AOSIS, stated that the unilateral targets presented by Annex I parties so far have “virtually no chance” of limiting global warming to below 2°C, and called for a 45% reduction in Annex I emissions from 1990 levels by 2020 and a reduction of more than 90% from 1990 levels by 2050. Algeria, for the AFRICAN GROUP, emphasized that the AWG-KP's mandate is to specify further emission reduction commitments for Annex I parties, and stressed the need for a “firewall” between the AWG-KP and other processes. Lesotho, for the LDCs, urged agreement on ambitious emission reductions, stressing that a delay could threaten a successful outcome in Copenhagen. INDONESIA urged the AWG-KP to work efficiently on Annex I emission reductions. INDIA called on Annex I parties to propose targets based on objective criteria and reflecting comparability of efforts, and SAUDI ARABIA welcomed discussions on potential consequences.

VENEZUELA stated that consideration of the flexibility mechanisms is beyond the mandate of the AWG-KP and PAKISTAN said Annex I commitments must not be linked to any conditions. MALAYSIA stressed the need to focus on amendment of Protocol Annex B, stating other issues could be considered later. TUVALU stated that discussions must go beyond Annex B amendments in order to address issues such as extending the share of proceeds. COLOMBIA supported extending the share of proceeds to joint implementation and emissions trading.

The EU noted synergies between the AWGs and underscored that the AWG-KP's mandate allows discussion of all issues affecting Annex I parties' further commitments. Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, suggested 2020 as the end of the second commitment period, and stressed the importance of discussing general improvements to the Protocol. He supported “functional coordination” between the AWG-KP and AWG-LCA. Australia, for the UMBRELLA GROUP, stated that the texts on Annex I parties' further commitments and other issues must be considered as a package, and urged consistency and coherence between the AWGs. JAPAN called for a comprehensive post-2012 framework, stating that a simple Protocol amendment would be an unacceptable outcome, and stressing the need for mitigation by all major economies. The RUSSIAN FEDERATION explained that his country's participation in the second commitment period would be assessed in accordance with national legislation and highlighted that the current Protocol is “not a fair and comprehensive agreement.” He called for merging the two AWGs and ensuring a single agreement under the Convention, which would bring together all major emitters. BELARUS noted the need to simplify procedures for joining Annex B, and urged synergy between the two AWGs.

TURKEY highlighted its recent ratification of the Protocol, and CROATIA outlined plans to, *inter alia*, increase the use of renewable energy and biofuels, and improve energy efficiency. She called for recognition of her country's special circumstances as a country negotiating both a post-2012 target and EU membership.

CANADA stated that a firm understanding of the rules is necessary to enable Annex I parties determine proper commitments. NEW ZEALAND stated that a long-term quantified global goal for emission reductions is the single most important step to advancing negotiations. He highlighted that New Zealand's commitment would have to take into account the large uncertainty of LULUCF rules, and stressed the importance of including LULUCF in the Copenhagen package.

PAPUA NEW GUINEA said neither the current nor proposed LULUCF rules demonstrate leadership by Annex I parties, stating that the rules would allow erosion of Annex I parties' mitigation commitments. Lamenting the exclusion of his country's proposal for a land-based approach from the text, he stressed it would ensure environmental integrity and account for all emissions and removals.

FRIENDS OF THE EARTH INTERNATIONAL called attention to the cost of failure to reach an ambitious agreement, and called for an end to offsetting. CLIMATE ACTION NETWORK called for an aggregate Annex I emission reduction target of more than 40% from 1990 levels by 2020. BUSINESS AND INDUSTRY highlighted the potential of sectoral crediting proposals and NAMAs to transform the flexibility mechanisms.

ANNEX I FURTHER COMMITMENTS: AWG-KP Chair Ashe introduced the item (FCCC/KP/AWG/2009/5 and 7-8; FCCC/KP/AWG/2009/MISC.8 and Add.1; FCCC/KP/AWG/2009/MISC.9 and Adds. 1-2; FCCC/KP/AWG/2009/MISC.10; FCCC/KP/AWG/2009/MISC.11 and Add. 1; FCCC/KP/AWG/2008/8).

Parties agreed to contact groups on: Annex I parties' further emission reductions (paragraphs 49(a) and (b) of the AWG-KP's work programme), co-chaired by Leon Charles (Grenada) and Gertraud Wollansky (Austria); other issues (paragraph 49(c) of the AWG-KP's work programme), chaired by AWG-KP Vice-Chair Harald Dovland (Norway); and legal matters, co-chaired by Sandea De Wet (South Africa) and Gerhard Loibl (Austria).

BOLIVIA urged that the time allocation reflect the importance of emission targets and legal matters.

The IPCC reported on the workshop on alternative greenhouse gas metrics, highlighting that: the effectiveness of a metric depends on the policy goal it seeks to address; the global warming potential metric was not designed with a particular policy goal in mind; and depending on the relevant policy or goals, alternative metrics may be preferable.

ICELAND highlighted his country's recent decision on a 15% reduction target by 2020 compared to 1990 levels. AUSTRALIA pledged a reduction of 25% below 2000 levels by 2020, in the context of an ambitious international agreement.

POTENTIAL CONSEQUENCES: AWG-KP Chair Ashe introduced the issue (FCCC/KP/AWG/2009/5 and MISC.12; FCCC/KP/AWG/2008/8). Parties agreed to form a contact group, co-chaired by Mama Konate (Mali) and Paul Watkinson (France).

OTHER MATTERS: Chair Ashe will conduct informal consultations to discuss working arrangements for the ninth and tenth sessions of the AWG-KP.

SBI 30

ORGANIZATIONAL MATTERS: SBI Chair Liana Bratasida (Indonesia) opened the session and suggested leaving the sub-item on information contained in non-Annex I national communications in abeyance. The Philippines, for the G-77/CHINA, proposed adding two sub-items to the item on the financial mechanism, one on assessing implementation of the Special Climate Change Fund (SCCF), and another on the terms of reference for the review of the Adaptation Fund. SWITZERLAND, AUSTRALIA and the Czech Republic, for the EU, supported including a sub-item on the SCCF, but objected to the proposed sub-item on the Adaptation Fund. Parties agreed to the organization of work (FCCC/SBI/2009/1) with the understanding that the SBI Chair will consult informally on the agenda and the proposed new sub-item on the Adaptation Fund.

OPENING STATEMENTS: Lesotho, for the LDCs, lamented the lack of progress on implementation of national adaptation programmes of action (NAPAs) and called for predictable and adequate funding and increased GEF replenishment. Grenada, for AOSIS, said that parties should focus on issues including: non-Annex I national communications; development of performance indicators to review the capacity building framework; privileges and immunities; and decision 1/CP.10 (Buenos Aires Programme of Work). Australia, for the UMBRELLA GROUP, highlighted the importance of finalizing the budget, expediting work under the SBI and focusing on moving forward under the AWGs. The EU suggested concentrating on issues that would advance agreement on a future regime, and noted the budget, inter-governmental meetings, the financial mechanism, technology transfer and information contained in non-Annex I national communications.

ANNEX I NATIONAL COMMUNICATIONS: Fourth national communications: The Secretariat introduced the report on the status of Annex I fourth national communications (FCCC/SBI/2009/INF.6).

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance for the biennium 2008-2009: The Secretariat introduced the item (FCCC/SBI/2009/INF.3 and INF.7). SBI Chair Bratasida will draft conclusions in consultation with interested parties.

Programme budget for the biennium 2010-2011: UNFCCC Executive Secretary Yvo de Boer introduced the item (FCCC/SBI/2009/2 and Adds.1-3; and FCCC/SBI/2009/MISC.3), explaining necessary increases to core resources and identifying areas where savings could be made. Noting that most expenses are in Euros, he said switching the core budget from US dollars to Euros would help protect against exchange rate fluctuations. Quamrul Islam Chowdhury (Bangladesh) will chair a contact group.

Implementation of the Headquarters Agreement: The SBI Chair will draft conclusions.

Privileges and Immunities: The Secretariat introduced the item (FCCC/SBI/2009/MISC.5 and Add.1), noting that pursuant to the six-month rule, proposed amendments to the Protocol concerning privileges and immunities must be communicated to parties by 17 June 2009. AUSTRALIA highlighted the importance of ensuring sufficient immunities for individuals serving on bodies under any post-2012 regime. Tamara Curl (Australia) will chair a contact group.

CAPACITY BUILDING (CONVENTION): The Secretariat introduced the item (FCCC/SBI/2009/4 and 5; FCCC/SBI/2009/MISC.s1 and 2). Phillip Gwage (Uganda) and Helmut Hojesky (Austria) will co-chair a contact group.

CAPACITY BUILDING (PROTOCOL): The Secretariat introduced the item (FCCC/SBI/2009/4-5; FCCC/SBI/2009/MISC.s 1 and 2). TANZANIA noted that African countries are lagging behind in Clean Development Mechanism (CDM) projects due to lack of capacity and welcomed the outcome of the comprehensive review of the capacity building framework.

Phillip Gwage (Uganda) and Helmut Hojesky (Austria) will co-chair a contact group.

SBSTA 30

ORGANIZATIONAL MATTERS: SBSTA Chair Helen Plume (New Zealand) opened the session and parties adopted the agenda and organization of work (FCCC/SBSTA/2009/1).

OPENING STATEMENTS: Australia, for the UMBRELLA GROUP, emphasized the importance of finalizing work at this session to avoid over-burdening the agenda in Copenhagen. The Czech Republic, for the EU, urged streamlining work under the

four subsidiary bodies and working cooperatively. Grenada, for AOSIS, welcomed intersessional work on adaptation, disaster risk management and economic resilience. Sudan, for the G-77/CHINA, highlighted technology transfer and the need for progress on the Nairobi Work Programme (NWP).

NAIROBI WORK PROGRAMME: The Secretariat introduced the item (FCCC/SBSTA/2009/INF.3, FCCC/SBSTA/2009/MISC.s 4 and 6). The WORLD METEOROLOGICAL ORGANIZATION highlighted the World Climate Conference-3 to be held in Geneva, Switzerland, from 31 August to 4 September 2009. The IPCC noted work on its special report on managing risks of extreme events and disaster. The GLOBAL NETWORK FOR FOREST SCIENCE COOPERATION introduced a report on adaptation of forests and people to climate change. The CONVENTION ON BIOLOGICAL DIVERSITY emphasized that ecosystem-based adaptation strengthens both the resilience of ecosystems and of human societies.

ARGENTINA and PALAU supported including ecosystem adaptation in the conclusions. JAPAN called for basing adaptation actions on sound scientific assessment. URUGUAY proposed an expert group to contribute to the NWP's implementation. SWITZERLAND supported establishing an information network on capacity building for multilateral agencies.

Kishan Kumarsingh (Trinidad and Tobago) and Donald Lemmen (Canada) will consult informally.

TECHNOLOGY TRANSFER: The Secretariat introduced the item (FCCC/SBSTA/2009/INF.1 and FCCC/SB/2009/1-3). Bruce Wilson, Australia, reported on work of the Expert Group on Technology Transfer (EGTT), highlighting a strategy paper on the long-term perspective beyond 2012, future financing options, and performance indicators.

ARGENTINA emphasized the need to ensure environmentally-friendly production patterns. SWITZERLAND stressed energy efficient technologies and said intellectual property rights (IPRs) can promote technology transfer. BANGLADESH noted the need for technologies that enable the disabled to respond to disasters.

The INTERNATIONAL COUNCIL FOR SUSTAINABLE ENERGY and THE GLOBAL WIND ENERGY COUNCIL urged a strong post-2012 agreement with clear mid- and long-term targets to promote diffusion of clean energy technologies, and direct investment to develop and commercialize new technologies.

A joint SBSTA/SBI contact group will be co-chaired by Holger Liptow (Germany) and Carlos Fuller (Belize).

REDD: The Secretariat introduced the item (FCCC/SBSTA/2009/2; FCCC/SBSTA/2009/MISC.s 1 and 2 and Add.s. 1-2; FCCC/TP/2009/1). THE COLLABORATIVE PARTNERSHIP ON FORESTS called for an effective framework for sustainable management and implementation of forest-related mitigation projects, as well as concurrent implementation of mitigation and adaptation efforts. The UNITED NATIONS FORUM ON FORESTS (UNFF) highlighted the outcomes of UNFF 8 on policy coordination related to climate change impacts and mitigation contributions of forests.

The Democratic Republic of Congo, for the CONGO BASIN COUNTRIES, underscored that reference levels based on past levels of deforestation are biased against countries that have yet to develop their forest resources and stressed the importance of capacity building. He also highlighted the role of local communities and indigenous peoples. SWITZERLAND

called for a pragmatic solution, which is: compatible with the Convention, the Protocol and other agreements; results in measurable and quantifiable removals at the global level; recognizes the rights of indigenous peoples; and promotes biodiversity and sustainable development.

Lilian Portillo (Paraguay) and Audun Rosland (Norway) will co-chair a contact group.

RESEARCH AND SYSTEMATIC OBSERVATION: The Secretariat introduced the item (FCCC/SBSTA/2009/MISC.s.5 and 8; FCCC/SBSTA/2009/MISC.7 and Add.1; and FCCC/SBSTA/2008/MISC.11) and the FAO's Global Climate Observing Systems, the Global Terrestrial Observing System and the Committee on Earth Observation Satellites presented progress reports and information on their current activities.

Sergio Castellari (Italy) and Clifford Mahlung (Jamaica) will hold informal consultations.

METHODOLOGICAL ISSUES (CONVENTION):
Greenhouse gas data interface: The Secretariat reported on progress. Erasmia Kitou (European Community) will conduct informal consultations.

Emissions from international aviation and maritime transport: SBSTA Chair Plume proposed considering this item at SBSTA 32. The INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO) reported on its relevant activities, including the Programme of Action on International Aviation and Climate Change. The INTERNATIONAL MARITIME ORGANIZATION (IMO) reported that without mitigation policies, emissions from international maritime transport could increase by 150-250% by 2050.

CHINA opposed any uniform mandatory emission reductions and, with KUWAIT, BRAZIL, ARGENTINA and ALGERIA, reiterated the principle of common but differentiated responsibilities. JAPAN said the issue should be considered by the IMO and ICAO.

SBSTA Chair Plume will prepare draft conclusions.

IN THE CORRIDORS

With over 4,300 registered participants for the Bonn meeting, the corridors were congested on the first day of the meeting. Many participants characterized the meeting as a significant step in the lead up to Copenhagen. "We have Chairs' draft negotiating texts on the table under both AWGs and we also have the six-month rule to consider, so it should be an interesting meeting," commented one participant.

Many expressed cautious optimism about what they felt had been constructive plenary discussions under the AWG-LCA. Although there were some diverging views over the contents of the Chair's negotiating text, most delegates were happy that agreement had been reached to discuss it further in informal plenary sessions. Some developed country delegates said, however, that they would have preferred to dedicate more attention to the legal framework, pointing out that only one hour of informals is currently allocated for what they felt was an important topic.

On the AWG-KP, a group of negotiators joked that the two AWGs had "switched places," with one commenting, "everything looked so smooth in the AWG-KP last year, but now the gloves seem to be coming off." The AWG-KP's opening plenary was delayed by more than an hour while parties consulted informally over mandate issues and the structure and number of possible contact groups. The result - three different contact groups on Annex I further commitments considering the same two texts, was, as one delegate put it, "an arrangement that everyone can live with but no one is happy about."