

SUMMARY OF THE BONN CLIMATE CHANGE TALKS: 10-14 AUGUST 2009

From 10-14 August 2009, the *Ad Hoc* Working Group on Long-term Cooperative Action under the United Nations Framework Convention on Climate Change (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) held intersessional informal consultations in Bonn, Germany. Approximately 2,400 participants attended the meeting, which forms part of ongoing negotiations on long-term cooperation under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The two AWGs are scheduled to conclude their work by the fifteenth session of the UNFCCC Conference of the Parties (COP 15) and the fifth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 5) to be held in Copenhagen, Denmark, in December 2009.

For the AWG-LCA, the focus was on how to proceed with the revised negotiating text (FCCC/AWGLCA/2009/INF.1), which reflects deliberations at AWG-LCA 6 in June. The text is nearly 200 pages long and covers the key elements of the Bali Action Plan (decision 1/CP.13), namely a shared vision for long-term cooperative action, mitigation, adaptation and finance, as well as technology and capacity building. After a week of consultations by five main informal groups and several sub-groups on mitigation, the AWG-LCA began to produce reading guides, tables, matrices and non-papers aimed at consolidating text and facilitating negotiations at the next meeting in Bangkok, Thailand. The various tools will be compiled in a new information document that the Chair intends to make available before Bangkok. The revised negotiating text, in turn, will remain largely as it was at the beginning of the informal consultations in Bonn (Bonn III).

Under the AWG-KP, discussions continued on Annex I parties' emission reductions beyond the first commitment period ending in 2012. In addition, parties resumed consideration of texts related to potential consequences and other issues in the AWG-KP's work programme (FCCC/KP/AWG/2008/8), including land use, land-use change and forestry (LULUCF) and

the flexibility mechanisms. Given that the informal session was not mandated to adopt conclusions, the AWG-KP's work at the informal session will be taken into account in documents that the AWG-KP Chair will prepare for Bangkok. Technical exercises related to Annex I parties' emission reductions were widely seen as being among the most useful results of the session. Several participants stressed, however, the need to switch gears and make faster progress.

Overall, at the close of Bonn III, delegates in both AWGs seemed increasingly aware of the fact that the clock is ticking, that only 114 days remained before Copenhagen, and that important progress will be needed when parties gather in Bangkok at the end of September in six weeks time.

A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the UNFCCC in 1992, which sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid "dangerous

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This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Asheline Appleton, Kati Kulovesi, Ph.D., Leila Mead, Anna Schulz, and Matthew Sommerville. The Digital Editor is Tallash Kantai. The Editor is Pamela S. Chasek, Ph.D. <pam@iisd.org>. The Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the United Kingdom (through the Department for International Development – DFID), the Government of the United States of America (through the Department of State Bureau of Oceans and International Environmental and Scientific Affairs), the Government of Canada (through CIDA), the Danish Ministry of Foreign Affairs, the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the Netherlands Ministry of Foreign Affairs, the European Commission (DG-ENV), and the Italian Ministry for the Environment, Land and Sea. General Support for the *Bulletin* during 2009 is provided by the Norwegian Ministry of Foreign Affairs, the Government of Australia, the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, the Ministry of Environment of Sweden, the New Zealand Ministry of Foreign Affairs and Trade, SWAN International, Swiss Federal Office for the Environment (FOEN), the Finnish Ministry for Foreign Affairs, the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES), the Japanese Ministry of Economy, Trade and Industry (through the Global Industrial and Social Progress Research Institute - GISPRI), the Government of Iceland, and the United Nations Environment Programme (UNEP). The opinions expressed in the *Bulletin* are those of the authors and do not necessarily reflect the views of IISD or other donors. Excerpts from the *Bulletin* may be used in non-commercial publications with appropriate academic citation. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-646-536-7556 or 300 East 56th St., 11A, New York, New York 10022, United States of America.

anthropogenic interference” with the climate system. The UNFCCC entered into force on 21 March 1994 and now has 192 parties.

In December 1997, delegates at COP 3 in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known under the UNFCCC as Annex I parties, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying from country to country. The Kyoto Protocol entered into force on 16 February 2005 and now has 184 parties.

In 2005, COP/MOP 1 held in Montreal, Canada, established the AWG-KP on the basis of Protocol Article 3.9, which mandates consideration of Annex I parties’ further commitments at least seven years before the end of the first commitment period. In addition, COP 11, in Montreal, agreed to consider long-term cooperation under the Convention through a series of four workshops known as “the Convention Dialogue,” which continued until COP 13.

BALI ROADMAP: COP 13 and COP/MOP 3 took place in December 2007, in Bali, Indonesia. The focus of the Bali conference was on long-term issues. These negotiations resulted in the adoption of the Bali Action Plan (BAP), which established the AWG-LCA with a mandate to focus on four key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance and technology. The BAP contains a non-exhaustive list of issues to be considered under each of these areas and calls for articulating a “shared vision for long-term cooperative action.”

The Bali conference also resulted in an agreement on a two-year process, the Bali Roadmap, which covers negotiation “tracks” under the Convention and the Protocol and sets a deadline for concluding the negotiations at COP 15 and COP/MOP 5, to be held in Copenhagen in December 2009. The two key bodies under the Bali Roadmap are the AWG-LCA and the AWG-KP, which held four negotiation sessions in 2008: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland.

COP 14: During COP 14 in Poznań, AWG-LCA 4 continued discussing all the key elements of the BAP. It mandated the AWG-LCA Chair to prepare a document for consideration by AWG-LCA 5 that would focus negotiations on the fulfillment of the BAP and a negotiating text for AWG-LCA 6 in June 2009.

AWG-KP 6 held a strategic discussion on all elements of its work programme and decided that in order to finalize agreement on Annex I parties’ further commitments at COP/MOP 5, the AWG-KP would need to consider in 2009 the aggregate scale of emission reductions by Annex I parties, the contribution by parties individually or jointly to the aggregate scale, as well as other issues identified in paragraph 49 of its conclusions (FCCC/KP/AWG/2008/8). These other issues include: the flexibility mechanisms; LULUCF; greenhouse gases, sectors and sources; potential consequences of tools, policies, measures and methodologies; aviation and maritime bunker fuels; and legal matters.

AWG-LCA 5 & AWG-KP 7: From 29 March - 8 April 2009, AWG-LCA 5 and AWG-KP 7 convened in Bonn, Germany. The main objective of the session was to work towards negotiating text under both AWGs.

The AWG-LCA considered a note prepared by the Chair to focus negotiations on the fulfillment of the BAP and on the components of the agreed outcome (FCCC/AWGLCA/2009/4, Parts I and II). Discussions at AWG-LCA 5 focused on further elaborating elements for a draft negotiating text to be prepared by the Chair for the next AWG-LCA session in June 2009.

AWG-KP 7 focused on emission reductions by Annex I parties under the Kyoto Protocol beyond 2012 and on legal issues, including possible amendments to the Protocol. The AWG-KP also considered the other issues in its work programme, including the flexibility mechanisms, LULUCF and potential consequences of response measures. The AWG-KP agreed to request its Chair to prepare two documents for the June session: a proposal for amendments to the Protocol under Article 3.9 (Annex I parties’ further commitments); and a text on other issues, such as LULUCF and the flexibility mechanisms.

AWG-LCA 6 & AWG-KP 8: From 1-12 June 2009, AWG-LCA 6 and AWG-KP 8 convened in Bonn, Germany, in conjunction with the 30th sessions of the UNFCCC’s Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA).

AWG-LCA 6 concentrated on developing negotiating text, using the Chair’s draft (FCCC/AWGLCA/2009/8) as the starting point. During the session, parties clarified and developed their proposals and the main outcome was a revised negotiating text (FCCC/AWGLCA/2009/INF.1), which is nearly 200 pages long and covers all the main elements of the BAP.

AWG-KP 8 continued considering Annex I parties’ further commitments under the Protocol. Discussions focused on proposals by various parties for Annex I countries’ aggregate and individual emission reduction targets beyond 2012. The AWG-KP agreed to continue discussions on these as well as on other issues, such as LULUCF and the flexibility mechanisms, based on documentation prepared by the AWG-KP Chair.

By the end of the June session, the Secretariat had also received five submissions from parties for a new protocol under the Convention, and twelve submissions concerning amendments to the Kyoto Protocol, proposed for adoption in Copenhagen.

REPORT OF THE MEETING

On Monday, 10 August 2009, the Bonn Climate Change Talks began with the opening meetings of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Protocol (AWG-KP). This report summarizes the discussions by the two AWGs during the week-long informal meetings.

AD HOC WORKING GROUP ON FURTHER COMMITMENTS BY ANNEX I PARTIES UNDER THE KYOTO PROTOCOL

Chair John Ashe (Antigua and Barbuda) opened the AWG-KP’s informal session on Monday, 10 August. He introduced documentation prepared for the session, covering:

- proposed amendments to the Kyoto Protocol pursuant to Article 3.9 (Annex I parties' further commitments) (FCCC/KP/AWG/2009/10/Add.1);
- other proposed amendments to the Protocol (FCCC/KP/AWG/2009/10/Add.2);
- a compilation of proposals for elements of draft decisions on other issues, such as LULUCF and the flexibility mechanisms (FCCC/KP/AWG/2009/10/Add.3); and
- a compilation of proposals by parties for aggregate and individual figures for Annex I parties (FCCC/KP/AWG/2009/10/Add.4).

Work at the informal session was carried out by three informal groups. The first group focused on Annex I parties' aggregate and individual emission reductions, and was co-facilitated by Leon Charles (Grenada) and Gertraud Wollansky (Austria). The second considered "other issues," facilitated by AWG-KP Vice-Chair Harald Dovland (Norway). The "other issues" are identified in paragraph 49(c) of the AWG-KP's work programme (FCCC/KP/AWG/2008/8) and include: the flexibility mechanisms; LULUCF; greenhouse gases, sectors and source categories; common metrics to calculate CO₂ equivalents of anthropogenic emissions by sources and removals by sinks; and methodological and other issues. The third addressed potential consequences of response measures, facilitated by Mama Konaté (Mali) and Andrew Ure (Australia). At the opening meeting, Chair Ashe indicated that a group on legal matters would convene if requested by parties to consider specific issues. During the session, no meetings were held by the legal matters group.

The informal session of the AWG-KP was not mandated to adopt conclusions. During the closing meeting on Friday afternoon, Chair Ashe explained that he would revise some of the documentation (FCCC/KP/AWG/2009/10.Add.1 and FCCC/KP/AWG/2009/10.Adds.3-4) before Bangkok based on the non-papers by the informal groups on Annex I emission reductions and other issues. Chair Ashe also noted that a document would be issued to reflect the work done on potential consequences.

ANNEX I EMISSION REDUCTIONS: The informal group focusing on Annex I parties' aggregate and individual emission reductions met from Monday to Friday. Its discussions centered, *inter alia*, on: assumptions underpinning possible targets submitted by parties; establishment of assigned amounts; and how to turn parties' pledges into quantified emission limitation and reduction objectives (QELROs). During the opening meeting, Co-Facilitator Wollansky proposed using any remaining time to streamline the documentation, while China stressed that the mandate was not to streamline the documentation or create a negotiating text.

Discussions began with an exchange of views on the **establishment of assigned amounts**. New Zealand noted that countries should have the flexibility to establish commitments either as QELROs or absolute emission reductions. Japan preferred absolute emission reductions, while Tuvalu said having multiple metrics would complicate things. The Republic of Korea said the question was not relevant for the AWG-KP's mandate to amend Annex B.

From Tuesday to Thursday, parties undertook a technical exercise on **possible targets submitted by parties**. The Secretariat first introduced a note compiling information on possible QELROs as submitted by the parties. Several Annex I parties then presented on their pledges, explaining the underlying assumptions.

New Zealand presented on a mid-term target of reducing emissions by 10-20% below 1990 levels by 2020. He explained that the target assumed the continuation of the current LULUCF rules, as well as full recourse to the flexibility mechanisms and carbon markets due to the high cost of domestic mitigation.

Japan discussed a national target of reducing emissions by 15% from 2005 levels by 2020, stressing that it did not include LULUCF or flexibility mechanisms. He stressed that Japan's target for the first commitment period is very ambitious and that a single base year is not appropriate for all parties.

Canada outlined a national target to reduce emissions by 20% from 2006 levels by 2020, identifying that it is a mid-term target on the pathway towards a 60-70% reduction relative to 2006 by 2050. He stressed the target was not conditional on the outcome in Copenhagen and explained that the chosen base year of 2006 was the first one for which complete data is available.

The Russian Federation discussed plans to reduce emissions by 10-15% by 2020 from 1990 levels, indicating that the goal does not include LULUCF or offsetting and that because Russian emissions are currently 33% below 1990 levels, they are projected to peak after 2020. He clarified that the target does not depend on action by other countries but it is conditional on the state of the Russian economy. Belarus confirmed intentions to reduce emission by 5-10% from 1990 levels by 2020.

Norway presented on their pledge to reduce emissions by 30% from 1990 levels by 2020, saying that LULUCF comprises 3-6% of the target but that certain changes to the accounting rules will be necessary.

On **base years**, Japan and Canada stressed that parties should be able to use plural base years. The Federated States of Micronesia, for the Alliance of Small Island States (AOSIS), and Tuvalu emphasized the importance of maintaining the current base year to ensure comparability of commitments in the second commitment period. Sweden, for the European Union (EU), noted that their pledge to reduce emissions by 30% from 1990 levels by 2020 is contingent on an international agreement.

Several parties, including Switzerland and New Zealand, noted the need for clarity on **LULUCF rules**, which have only been agreed for the first commitment period. On the possible QELROs, LULUCF was included in the pledges by New Zealand and Norway, with New Zealand assuming no change in the current rules and Norway emphasizing the need for changes in the accounting rules. Canada and Japan did not include LULUCF in calculations of their respective pledges.

On offsets through the **carbon market**, several Annex I parties highlighted the benefits of the flexibility mechanisms and expressed interest in using them in the post-2012 period. New Zealand stressed that market mechanisms are important for their mitigation efforts due to the high cost of domestic mitigation. Norway stated that two-thirds of its target would be achieved through domestic emission reductions.

South Africa questioned the proportion of offsets coming from the flexibility mechanisms. He highlighted the question of equity arising if developed countries take advantage of all the best mitigation opportunities in developing countries, leaving the burden of costly mitigation to developing countries. Opposed by Japan, he noted that a cap on the use of flexible mechanisms might be a solution. Australia and New Zealand highlighted the principle of least cost emission reductions in the Convention.

On the *calculation of QELROs*, New Zealand highlighted actual emissions as the preferable starting point, with the EU noting that the starting point has significant implications for QELROs. The EU presented on the implications for QELROs of starting points, pathways and durations, highlighting that early starting points and longer durations lead to more gradual pathways and smaller QELROs, both of which may impact the “level of ambition” Annex I countries are willing to pursue.

Bolivia, supported by AOSIS, stressed the need for a top-down approach through the establishment of an aggregate emission reduction range based on best available science and then allocating individual targets based on a variety of factors including capability, with Bolivia highlighting historical responsibility as an important factor. New Zealand, Japan, the Russian Federation and Croatia argued that individual countries should establish their own target based on their assessments of national mitigation potential in a bottom-up approach whereby aggregate numbers would be derived by compiling individual pledges. The EU, Japan, Australia and Canada urged holding joint sessions with the AWG-LCA on Annex I parties’ aggregate emission reductions, noting the difficulty in discussing these numbers in the absence of some major emitting countries.

On Friday Co-Facilitator Charles noted that while discussions by the informal group had been productive, they did not lend themselves to removing or consolidating options in the documentation but that parties could update or correct their previous submissions for inclusion in recommendations to the AWG-KP Chair.

Status of the Negotiations: On Friday, the informal group forwarded a non-paper reflecting minor changes to the original documentation (FCCC/KP/AWG/2009/10/Add.1) to the AWG-KP Chair to be taken into consideration when revising the documentation for AWG-KP 9.

OTHER ISSUES: The informal group focused on issues listed in paragraph 49(c) of the AWG-KP’s work programme (FCCC/KP/AWG/2008/8), referred to as “other issues.” From Monday to Thursday, the group held four meetings on the flexibility mechanisms. On Friday, a meeting was held focusing on greenhouse gases and common metrics to calculate global warming potentials. Parties also agreed to continue with the “spin-off” group on LULUCF, which was facilitated by Bryan Smith (New Zealand) and Marcelo Rocha (Brazil) and met three times from Tuesday to Friday.

Flexibility Mechanisms: On the Protocol’s three flexibility mechanisms, AWG-KP Vice-Chair Dovland noted different views over proposed Protocol amendments, and suggested focusing on elements of draft COP/MOP decisions on emissions trading and the project-based mechanisms (FCCC/KP/AWG/2009/10/Add.3) in an attempt to find convergence and narrow down options in

the text. China, supported by Kuwait and Saudi Arabia, stressed that the document was intended to facilitate discussion and should not be used as a basis for negotiations.

On the various options related to the Clean Development Mechanism (CDM), the EU, Japan and the Federated States of Micronesia supported retaining the option related to the development of *standardized baselines*, while Brazil, Argentina, China and others preferred not addressing the issue, therefore supporting the option “no decision.”

On *multiplication and discount factors* under the CDM, Japan, China, Kuwait, India, Brazil and others did not support the development of such factors and preferred the option “no decision.” China and Brazil stressed the subjective nature of such factors and Kuwait, Japan, Saudi Arabia and others highlighted the need to avoid complexity. The EU argued that it would be difficult to establish standardized baselines without discount factors, but opposed multiplication factors. The Republic of Korea supported either discount or multiplication factors; Argentina expressed support for multiplication factors.

On whether project activity types could be placed on *positive or negative lists*, based on technologies, the host party, or project scale, Senegal, supported by Brazil, India, and the Gambia, highlighted the proven additionality of small-scale renewable technology. New Zealand noted that consideration of the host party increases complexity without added environmental benefit. Japan stressed the need to consider the current regional distribution of CDM projects. Tuvalu expressed concern on the definition of “small-scale” and said the option of negative lists should not be deleted.

On promoting *co-benefits* for CDM projects, Brazil, India, the Philippines and others supported taking no decision, while Japan, Saudi Arabia, Kuwait and others supported addressing co-benefits. Several parties supported deleting text on requiring each CDM project to demonstrate specified co-benefits, while retaining text on support for projects that demonstrate specified co-benefits.

The Least Developed Countries (LDCs), the Group of 77 and China (G-77/China), the Republic of Korea, Japan and others supported retaining text on *improving access to CDM projects by specified host parties*, while the EU preferred taking no decision, highlighting alternative ways to address regional distribution of the CDM.

On modalities for treatment of CDM projects upon *graduation of host parties*, China, Brazil, the Philippines and others supported no decision. The EU, Japan, Australia and New Zealand called for addressing the issue, with the EU stressing the need to decide what happens to CDM projects in EU member states that are non-Annex I parties. The EU and others, opposed by Japan, suggested deleting text on converting CDM projects into joint implementation (JI) projects.

On *carry-over (banking) restrictions* on Kyoto units, Ukraine, the Russian Federation and others supported no restrictions on banking beyond the second commitment period, while the LDCs, AOSIS, Sudan and others preferred extending current restrictions to the subsequent commitment periods.

On allowing *borrowing of assigned amount* from future commitment periods, the G-77/China supported no decision on the issue, while Ukraine and Canada preferred maintaining the option.

On *extending the share of proceeds*, AOSIS, the LDCs and Colombia supported retaining the option in the context of COP/MOP decisions. The EU, Japan and New Zealand highlighted related proposals for Protocol amendments, as well as links with adaptation and finance discussions under the AWG-LCA.

On including *carbon capture and storage (CCS) under the CDM*, Saudi Arabia, Japan, Nigeria, Kuwait, Iran, the EU, New Zealand, Ghana and others supported retaining the option, while AOSIS, Argentina, Brazil, Colombia, the Gambia and others preferred no decision. Brazil, supported by the Gambia, highlighted CCS as a nationally appropriate mitigation action but opposed it under the CDM. Kuwait, Saudi Arabia and Nigeria opposed language on limiting CCS under the CDM to geological formations. AOSIS highlighted that concerns regarding CCS beyond geological formations were even more serious.

During a brief discussion, Japan opposed deleting the option that *nuclear activities* are eligible under the CDM.

On *crediting based on nationally appropriate mitigation actions (NAMAs)*, the G-77/China and Tuvalu preferred no decision. Colombia highlighted concerns over scaling-up problems associated with the CDM, such as geographical distribution. The Republic of Korea supported a decision on NAMA crediting, and said the proposal aimed to help developing countries benefit from market mechanisms. The EU identified synergies with their proposal on sectoral crediting, while noting concerns over the attribution of emission reductions and monitoring, reporting and verification (MRV).

At the final meeting on flexibility mechanisms on Thursday, participants discussed options for proceeding at the Bangkok meeting. South Africa outlined two procedural scenarios: to continue refining options until agreement on the whole range of issues in Copenhagen; or to consider the mandate problem and which issues may be addressed in the negotiations. Saudi Arabia, with China, India, Oman and Ethiopia, called for a focus on Annex B and Protocol Article 3.9 (Annex I further commitments). Egypt, with China, endorsed differentiation between elements requiring Protocol amendment and those that can be adopted as COP/MOP decisions. Brazil, with many others, suggested postponing discussion on elements requiring Protocol amendments until Copenhagen. Colombia suggested discussion on whether issues should be handled by amendment or decision was best left to the legal group. Australia noted lack of agreement on whether the AWGs will meet in Copenhagen.

Status of the Negotiations: Vice-Chair Dovland introduced a non-paper reflecting additions and deletion to the relevant document (FCCC/KP/AWG/2009/10/Add.3) and parties agreed to forward it to the AWG-KP Chair for consideration when preparing revised documentation for Bangkok.

LULUCF: The spin-off group on LULUCF focused the week's discussions on land-based accounting, natural disturbances and forest management (FCCC/KP/AWG/2009/10/Add.3 annex II), CDM-related issues and data submission (FCCC/KP/AWG/2009/10/Add.3). Co-facilitator Marcelo Rocha

(Brazil) explained that due to concerns expressed by several parties, small groups on specific issues would not convene, but he suggested bilateral discussions.

Many countries said that a land-based accounting approach is a desirable long-term goal. Australia, with Switzerland and the EU, stated that they are not ready to support land-based accounting in the second commitment period. Brazil, China and Japan underscored incomplete reporting of data, as well as the existing scientific uncertainties of measurement. Many countries highlighted the difficulty of distinguishing between anthropogenic and non-anthropogenic emissions and removals, and the challenge this poses to defining natural disturbances.

South Africa suggested wider consideration of both sinks and sources, noting a limited willingness to consider positive measures. Switzerland described its proposal to address natural disturbances, highlighting the potential usefulness of discount rates throughout the LULUCF activities, but acknowledged that setting discount rates is subjective.

Responding to questions on accounting for harvested wood products (HWP), New Zealand emphasized that they do not perceive HWP as a permanent sink and they highlighted the responsibility of the producing country. Thailand and Belarus called for assistance from the Intergovernmental Panel on Climate Change (IPCC) to create guidelines for natural disturbances and peatlands.

The group also discussed eligibility of LULUCF activities under the CDM, including: afforestation and reforestation; reducing emissions from deforestation and forest degradation in developing countries (REDD); restoration of wetlands; sustainable forest management or land management activities; soil carbon management; and revegetation, forest, cropland and grazing land management. China and Brazil suggested only considering afforestation and reforestation under the CDM. Many countries supported considering REDD under other discussion tracks. Senegal, for the African Group, with Japan, Zambia, Papua New Guinea and Ethiopia, highlighted the need to improve the geographical distribution of the CDM and emphasized that broadening the scope of eligible LULUCF activities provides this opportunity. Brazil, the EU, Tuvalu and Canada called for discussion on whether activities are best considered under the CDM or NAMAs.

Parties agreed on the utility of data submission with some noting that data increases transparency and clarifies the implications of LULUCF proposals on targets. Guyana called for Annex I countries to provide data on the contribution of LULUCF to their targets. Many suggested that data submission would ideally occur before AWG-KP 9 in Bangkok, while noting the practical challenges of assembling data. Canada suggested that two types of data were being discussed: basic data that is readily available; and scenarios and projections, which require more information and are not likely to be available for Bangkok.

Status of the Negotiations: At the end of the session Co-Facilitator Rocha emphasized that voluntary submission of basic data on LULUCF with descriptions of assumptions and uncertainties through the Secretariat website will benefit all parties, clarified that no new text would be forwarded to the AWG-KP Chair, and reminded parties that new text could be submitted in Bangkok.

Greenhouse gases, sectors and sources: Questions related to greenhouse gases, sectors and sources were considered in one meeting by the informal group on other issues on Friday (FCCC/KP/AWG/2009/10/Add.3 annex III). Vice-Chair Dovland noted that it was too late in the week to draft a new non-paper on these issues but that parties' proposals for insertions or corrections to the text would be forwarded to the AWG-KP Chair to be included in the revised documentation for AWG-KP 9 in Bangkok.

Discussions centered on three issues: inclusion of new greenhouse gases for the second commitment period; metrics to calculate global warming potential (GWP); and reporting guidelines. Australia submitted a proposal building on the SBSTA conclusion (FCCC/SBSTA/2009/L.11) on this issue relating to a process beginning in 2010 with a view to adopting revised UNFCCC Annex I reporting guidelines on national greenhouse gas inventories to be based on the 2006 IPCC Guidelines for use from 2015.

On new *greenhouse gases*, Brazil, with China, India, Sudan, Saudi Arabia, Egypt and Bangladesh, supported the option of not including any new gases in Annex A of the Protocol. AOSIS supported inclusion of additional gases to prevent the development of perverse incentives to increase emissions of these gases. She noted that gases should be grouped into "families" in Annex A. Japan, the EU, Canada, and Australia supported inclusion of new gases, where there is robust scientific evidence and technical information available to support mitigation. Canada highlighted the need to ensure consistency with the Montreal Protocol on Substances that Deplete the Ozone Layer.

On *common metrics* to calculate GWPs, Brazil, supported by India, expressed preference for option 2, which uses global temperature potentials (GTPs), while outlining a third option, which would maintain the provisions of the Protocol for the second commitment period. The EU questioned how new gases would be addressed in such a scenario. Brazil noted its opposition to the addition of new gases, but said that it would be possible to create exemptions for them, stressing that its proposal is a pragmatic reflection of the complexity associated with defining GTPs under the SBSTA.

Status of the Negotiations: The facilitator of informal group recommended minor changes based on the discussions to the AWG-KP Chair to be included in revisions of documentation for Bangkok.

POTENTIAL CONSEQUENCES: Potential environmental, economic and social consequences of response measures, including spillover effects, of tools, policies, measures and methodologies available to Annex I parties (potential consequences) were considered by an informal group convening four times between Wednesday and Friday. The group focused on streamlining and consolidating the text contained in paragraphs 24-30 of the text forwarded by AWG-KP 8 (FCCC/KP/AWG/2009/9)

Parties worked line-by-line through the text forwarded by AWG-KP 8 in Annex I of the meeting's report (FCCC/KP/AWG/2009/9). Discussions focused on issues including: basis of the AWG-KP's consideration of potential consequences; relevant

COP/MOP decisions and Protocol articles; framing of the work; vulnerability and ability to respond to the impacts of potential consequences; and deepening understanding.

Regarding the basis, developing countries recommended removing reference to the Convention, noting that the text is specifically in reference to the Protocol. South Africa, for the G-77/China, noted that the current text might introduce conditionalities and standards, while on framing of the work he stressed the importance of emphasizing minimizing the negative impacts of potential consequences for developing countries.

Several developed countries underscored the repetitiveness of the current formulation of the text in the framing of the work. New Zealand highlighted the three ideas captured by the text in this section: striving to reduce negative consequences; the positive and negative consequences of mitigation actions; and the work is focused on the negative impacts in developing countries.

Saudi Arabia objected, in discussions on deepening understanding, to reference of developing country institutional capacity. The G-77/China highlighted the complexity of deepening understanding but noted that the message in the text needs to be simplified. Parties discussed the meaning of "actual impacts" with developed countries preferring "actual" or "observed," while developing countries emphasized the need to include "possible" consequences as well.

Delegates discussed the possibility of regional and global assessments as a component of deepening understanding. The EU noted that if every mitigation action requires a regional and global review process, it would significantly undermine the purpose of the Protocol to take prompt mitigation actions and that the regional and global levels might not be the most appropriate levels at which to conduct assessments. Saudi Arabia clarified that these assessments would be complementary to individual assessments of impacts by developed countries and would examine classes of policies and resulting consequences. Guyana and the Federated States of Micronesia stated that assessments are for the purpose of assessing the impacts on developing countries and how to address them. Australia said that there may be a role for such assessments but worried that negotiating the terms of reference could be a distraction to the group and requested that it take place at a later point.

Status of the Negotiations: The text, as modified during discussions throughout the week, was forwarded to the AWG-KP Chair and will be issued as regular document prior to Bangkok.

CLOSING MEETING: On Friday afternoon, the AWG-KP closing meeting took place. AWG-KP Co-Chair John Ashe invited summaries from the facilitators of the informal groups and the sub-group on LULUCF. He then explained that, before Bangkok, he would revise some of the documentation (FCCC/KP/AWG/2009/10/Add.1 and FCCC/KP/AWG/2009/10/Add.3-4) based on the non-papers by the informal groups on Annex I emission reductions and other issues. Chair Ashe also noted that a regular document would be issued to reflect the work done on potential consequence and that parties had not requested assistance from the informal group on legal matters, expressing hope "to find more work for the legal group as we move closer to Copenhagen." He indicated that he would issue a scenario

note before AWG-KP 9 on how to proceed in Bangkok, stressing that “we will have to work twice as hard in six weeks time.” Chair Ashe closed the session at 4:10 pm.

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

AWG-LCA Chair Michael Zammit Cutajar (Malta) opened the informal session on Monday, 10 August, saying he considered the meeting as a part of a three-week phase extending through Bangkok. He noted the length and complexity of the AWG-LCA’s revised negotiating text (FCCC/AWGLCA/2009/INF.1) and emphasized that shortening it would be a challenge. He reminded delegates that the text being discussed prior to Kyoto in October 1997 was only around 30 pages. He identified the need for balanced consideration of the elements of the BAP and hoped to have a further revised negotiating text as an outcome from the session. Sudan, for the G-77/China, said the outcome from Bonn should be a “Bonn parties’ text,” not a Chair’s revised negotiating text.

In addition to the opening session on Monday morning, the AWG-LCA convened a mid-week stocktaking meeting and a closing meeting on Friday afternoon. During the week, most of the work was undertaken in informal groups focusing on the five main elements of the BAP, namely: adaptation; finance; technology transfer and capacity building; mitigation; and a shared vision for long-term cooperative action. A number of sub-groups also convened to address the mitigation sub-paragraphs 1(b)(i)-(vi) in the BAP.

No conclusions were adopted at week’s end; instead the focus was on identifying ways to proceed. The Philippines, for G-77/China, lamented that their proposals were not clearly reflected in the revised negotiating text and, opposed by some developed countries, stressed the need to include attribution of proposals. She also emphasized that, in combining elements of the text, party ownership must be retained. Sudan highlighted the right to full participation by all parties and the need to consult parties on issues, including scheduling. The US, the EU and others expressed satisfaction with the work of the facilitators, and Mexico, for the Environmental Integrity Group, stressed the need to switch to a full negotiating mode and have a workable negotiating text in Bangkok.

Throughout the week, the informal groups and their facilitators worked toward identifying areas of potential convergence and divergence, and began developing tools to navigate through the AWG-LCA’s negotiating text, including reading guides, tables, matrices and non-papers consolidating text on some sections.

On Friday, Chair Zammit Cutajar proposed, and parties agreed, that the revised negotiating text would remain on the table, accompanied by corrections submitted by parties, and that an additional document would be posted on the UNFCCC website, containing the revised negotiating text with attributions and original notes. He explained that before Bangkok, a second information document would also be issued containing the various tools and consolidated sections. He indicated that, with the new document, parties would have a number of tools for navigating through the text but that the material would consist of their own proposals that the parties have chosen to take forward.

Discussions by the AWG-LCA informal groups and sub-groups on the five key elements of the BAP are summarized below.

ADAPTATION: This issue was first addressed by the informal group, co-facilitated by Thomas Kolly (Switzerland) and William Agyemang-Bonsu (Ghana), on Wednesday morning. The group met four times during the week.

During the discussions, the Maldives, for the G-77/China, called for equal treatment of mitigation and adaptation, scaling up of funding, and adequate and predictable financial resources. Australia, for the Umbrella Group, stressed, *inter alia*: the importance of adaptation for all parties; and aggressive mitigation to avoid increasing the adaptation burden. With Canada, Japan and the EU, she emphasized that adaptation should be country-driven and that priority should be given to the most vulnerable. Japan said the UNFCCC should play a catalytic role in strengthening adaptation. The Umbrella Group said the UNFCCC could facilitate and catalyze activities, through, *inter alia*, sharing of best practices and information. She said financing must come from multiple sources and, with the EU and others, urged scaling up of support.

The EU underscored that the best adaptation strategy was a workable mitigation regime, and stressed integrating adaptation into sustainable development processes. Uruguay urged ambitious mitigation commitments to minimize increased adaptation costs.

Bangladesh called for, *inter alia*, financing on a grant basis, not through concessionary loans, and action at the community level. Peru, speaking for a number of countries, with Egypt and Colombia, opposed a new classification of developing countries to assess vulnerability. Burkina Faso, for LDCs, supported categorization of countries.

Peru and Paraguay said adaptation should maintain ecosystems, and called for strengthening community participation, including of indigenous communities. Indonesia requested reference to ecosystem-based management and coastal areas, and said the dynamic relationship between oceans and climate change should be reflected in the outcome. Turkey supported a new section on adaptation technologies and their transfer, and establishing executive bodies on finance and technology.

The Cook Islands, for AOSIS, supported a mechanism for facilitating and coordinating developing country access to financing. Venezuela, for several Latin American countries, said institutional arrangements should be under COP authority and guidance in the form of a multi-window system to ensure access to financing to cover debt. With Egypt, Argentina, Sri Lanka and the African Group, he said funding should come from public sources, be additional to official development assistance (ODA), and be subject to MRV. Saudi Arabia said financial and technical support should only be provided by developed countries.

China supported an adaptation committee or subsidiary body, and establishing regional centers in developing countries. The Philippines supported a learning-by-doing approach and information exchange, and asked developed countries to communicate their experiences in, *inter alia*: integrating adaptation into national development planning. The African

Group requested assistance from developed countries in costing adaptation. The US said it has committed US\$300 million in 2010 for adaptation, ten times the amount in the 2009 budget.

AOSIS and Tuvalu opposed discussing impacts of response measures under adaptation, stressing the issue is addressed under mitigation. Saudi Arabia called for reference to impacts of response measures throughout the text and adding reference to economic vulnerability. Ghana highlighted the gender component of adaptation. Bhutan and Nepal called attention to the specific vulnerabilities of ecosystems in mountainous countries.

During the week, Co-Facilitators Kolly and Agyemang-Bonsu presented consolidated text covering sub-sections on implementation, means of implementation and monitoring, along with a guiding table identifying specific paragraphs from the original text being consolidated and the rationale for that consolidation. They explained that the aim was to streamline and reduce duplication, without deleting any proposals. Many parties said consolidation was a useful exercise and could help move the process forward, while some noted inconsistencies with the original text and that specific proposals had been left out. Egypt noted the importance of including attribution of proposals in the consolidated text. AOSIS expressed concern that attributions might further complicate the text and suggested a column in the guiding table instead.

Co-Facilitator Kolly said the remaining sub-sections would be consolidated as soon as possible, noting specific comments on the consolidated text, could be sent to the Secretariat. AOSIS said a common understanding of terminology in the text should be reached. The Philippines, for the G-77/China, warned against excluding any proposals made by members of the Group. Sudan cautioned that any new proposals should be postponed until Bangkok, in the name of transparency.

Status of the Negotiations: The consolidated text, including work to be done intersessionally on the remaining sub-sections on adaptation, will be included in the new information document to be issued prior to AWG-LCA 7 in Bangkok.

FINANCE: The revised negotiating text (FCCC/AWGLCA/2009/INF.1) contains a chapter on “Enhanced action on financing, technology and capacity building,” however parties agreed to discuss financing separately under “enhanced action on the provision of financial resources and investment.” This issue was covered in four informal sessions, facilitated by AWG-LCA Vice-Chair Louis Machado (Brazil), on Tuesday, Thursday and Friday.

On Tuesday, Vice-Chair Machado requested that the Secretariat prepare a table reflecting areas of convergence and those requiring further discussion. He suggested addressing guiding principles, including access and dispersal, while postponing discussion on mobilization of funds. He also listed for discussion: questions of accountability, equity and balanced representation of all parties; coherence and coordination of funding sources; approaches for access and dispersal of funds; and addressing the needs of vulnerable developing countries.

The Philippines, for the G-77/China, highlighted the accountability of the financial mechanism to the parties, the requirement to mobilize financial resources, as well as the principle of equity.

Bangladesh emphasized the need for financial architecture under the UNFCCC, in conformity with the BAP, providing easy and direct access to resources especially for the most vulnerable countries. Barbados, for AOSIS, underscored the need to increase resources to fight climate change, provide funding for implementation of development plans and develop direct and simplified access to finance, especially for small island developing states (SIDS) and LDCs.

The US highlighted a number of domestic developments including the first contributions to the LDC Fund and the Special Climate Change Fund. On sources of funding, he stressed the role of private sources in generating the scale of financing needed. Canada highlighted the need to catalyze private financial flows and investment, called for prioritizing the needs of the poorest and most vulnerable countries, as well as maximizing the effectiveness of existing institutions, frameworks and networks. Australia said all sources of funding are important, including public and private funds, as well as the carbon market, and called for a decentralized approach in order to facilitate access to funding.

South Africa, for the African Group, said that it would not support text stipulating that all parties must contribute financial resources nor an approach suggesting differentiation among developing countries on access to financial resources. On scale of finance, she stated that the African Group would not accept an agreement on finance without a financial commitment of one percent of global gross domestic product (GDP). Uganda, for the LDCs, highlighted difficulties in implementing national adaptation programmes of action (NAPAs) due to inadequate resources.

Saudi Arabia emphasized that text requiring financial resources from developing countries would contravene the Convention’s principles and stressed that finance should be based on public funding rather than from taxes that would impact exports from developing countries. China said that the increasing emphasis on the private sector as a source of finance would lead to unpredictable funding, stressing that finance should be provided by the public sector and constitute at least 0.5-1% of developed countries’ GDP. The G-77/China and other developing countries emphasized the importance of MRV to successful mobilization of financial resources as well as providing the COP with direct control over governance.

Using a hybrid car as an analogy, Mexico noted that a hybrid set of financial mechanisms was needed with “different sets of engines that can be coordinated to ensure the vehicle is moving at the proper speed.”

On Thursday, Vice-Chair Machado presented a non-paper in the form of a table identifying elements common to many proposals and highlighting areas where better understanding is required. Discussion centered on: objectives, scope and guiding principles; generation and provision of financial resources; and institutional arrangements, including funds and institutional structure.

On **objectives, scope and guiding principles**, the Philippines, for the G-77/China, pointed to parallel views and a lack of common understanding of the term “country-driven.” The EU, Uganda, for the LDCs, and others stressed that a sense of urgency to undertake enhanced action on financing for

mitigation, adaptation and technology transfer should be stated clearly, as well as the need to prioritize support for vulnerable developing countries. Barbados, for AOSIS, said that provision of financial resources must be guided by developing countries' priorities, which he said should be contained in the overarching principle. He noted the possibility of enumerating numbers in the form of a budget, which would have a top-down approach.

Canada acknowledged strong convergence on the principles of equity and common but differentiated responsibilities, noting that the majority of parties have taken concrete actions, leading to concrete impacts. Antigua and Barbuda supported differentiating countries based on vulnerability and supported direct access through a financial mechanism under the COP. Colombia highlighted differentiation of countries in terms of vulnerability as a cross-cutting issue, and proposed that it be founded on an ecosystem-based approach. The US stressed the necessity of ascertaining the connection between the provision of finance and actions, including what the finance is being provided for. The EU cautioned against lengthy debates centering on the interpretation of the Convention.

Regarding the *generation and provision of financial resources*, debate centered on whether funds should be derived from strictly public sources or a mix of both public and private sources. Developing countries generally preferred that the primary sources of funds be public, with no conditionalities. Developed countries highlighted the role of private sources, preferring a mix of the two. Switzerland said that there was convergence on public and private sources but not on their respective roles. The EU highlighted market-based mechanisms. Barbados pointed to divergence on the extent to which public and private sources will play in the generation of funds. The US said that public funding is most effectively used for purposes such as adaptation and capacity building. Uganda, for the LDCs, advocated that governments mobilize resources from the private sector and described providing loans for adaptation as "immoral."

The G-77/China called for appropriate burden-sharing among developed country parties and adequate and predictable funding. Egypt, for the African Group, underscored the need for substantial contributions from developed countries. South Africa acknowledged divergence regarding the scale of funding and, with Bangladesh, emphasized new additional and predictable funding, beyond current ODA levels. Bangladesh called for sustained financial resources over and above 1.5% of developed country GDP. Japan, Australia and the US emphasized that assessed contributions as a key source of finance was not an area of convergence, while the EU acknowledged the need for assessed contributions. Also supporting assessed contributions of developed countries, Colombia said that 8% of the share of proceeds from joint implementation and emission trading mechanisms should go to the Adaptation Fund.

On *institutional arrangements*, the G-77/China discussed difficulties with access to finance under the Global Environment Facility (GEF) and emphasized that funding pledged outside the Convention will not be counted as meeting commitments under the Convention. South Africa said that it would be difficult to design appropriate institutional arrangements until there was common understanding of principles and functions

underpinning a financial mechanism and, with Bangladesh and others, underscored direct access under COP guidance. Barbados likened the difficulties of access to having "been given an ATM card without the pin number." Switzerland discussed the need for funding to be predictable and acknowledged problems concerning operational aspects of the current financial mechanism.

The US noted the need for convergence on a centralized and coordinated financial architecture. The EU said that convergence centered on the need to improve coordination with existing funds and entities. He said that it was important to discuss functions and not particular entities. Colombia and Canada supported a multi-window fund. Uganda, for the LDCs, supported a multi-window financial mechanism under the control of the COP to support the building blocks. Bangladesh proposed the establishment of a robust climate "bailout" plan. Canada said turning attention to key functions of the financial architecture would lead to a better understanding of how specific issues will work in practice.

Status of the Negotiations: Vice-Chair Machado indicated that the table reflecting areas of convergence and divergence had served as a useful tool to facilitate and focus discussion. He clarified that input from parties would be captured in a revised table and paragraphs would be restructured to help improve visualization. The revised table will be included in the new information document to be issued before before AWG-LCA 7.

TECHNOLOGY AND CAPACITY BUILDING: The informal group on technology and capacity building, facilitated by Kishan Kumarsingh (Trinidad and Tobago), convened in four sessions during the week, including three sessions on technology development and transfer and one on capacity building.

Facilitator Kumarsingh asked delegates to focus on potential points of convergence in the revised negotiating text. Several countries pointed to difficulties in working through the text and noted duplication of proposals. India and Saudi Arabia suggested identifying and eliminating paragraphs and proposals inconsistent with the BAP and the Convention. The Philippines, for the G-77/China, opposed by Australia and the US, requested attribution of proposals. Uganda, for the LDCs, lamented their proposals had not been clearly reflected in the revised negotiating text. Belize, for AOSIS, suggested devoting three-quarters of the time to discussing technology transfer and the rest to capacity building so as not to confuse the issues. Tanzania supported a dedicated discussion on capacity building.

AOSIS stressed that technology development and transfer must address both adaptation and mitigation, and take into account the special concerns of SIDS, particularly those dealing with economies of scale and geographical remoteness. Canada stressed a country-driven approach, while Norway identified the need to discuss the objectives and principles of a technology transfer framework. China highlighted, as priorities for consideration: institutional arrangements and the importance of promoting action under the UNFCCC; a funding mechanism; and an international action plan for addressing joint research and development (R&D), intellectual property rights (IPR) issues and innovation centers. Saudi Arabia highlighted the benefits of CCS,

called for technologies that facilitate economic diversification, and opposed limiting technology transfer to the renewable energy sector.

Some countries identified areas where possible convergence might exist, or where there might be a strong common interest, including, *inter alia*: national actions to drive technology development and deployment; supportive policy and regulatory frameworks; private sector engagement; technology needs assessments (TNAs) as a primary tool; regional innovation centers; capacity building in the context of technology; and research, development and demonstration.

The G-77/China pointed to clear divergence between developing and developed parties on certain issues, and emphasized that financing outside the framework of the financial mechanism would be unacceptable. Parties noted divergence related to, *inter alia*: means of financing; institutional arrangements; public versus private sector finance in the context of adaptation technologies; and how to stimulate action.

The US highlighted divergence regarding financing, with Japan underscoring opposing views as to whether a new institution should be established. Argentina underscored the need to establish funding and institutional mechanisms targeting actions towards technology development and capacity building.

Australia underscored sharp differences regarding IPRs. Many developing countries called for reforming the IPR regime so that it does not constitute a barrier to technology transfer. The US opposed any discussion of changes to the IPR regime and any text that sought to undermine or weaken that regime.

On **capacity building**, Norway, with Japan, Australia, the EU and others, underscored that since capacity building is a cross-cutting issue relevant to all elements of the BAP it should be integrated throughout the text and not included in a separate section. Tanzania, for the G-77/China, stressed the need to retain capacity building as a distinct section, requested a sub-section delineating actions, and proposed a mechanism, possibly in the form of a funding window, to enable financing. Brazil said capacity building must be strengthened in many areas, including REDD. The G-77/China urged the strengthening of, *inter alia*, research observation and knowledge management, education and awareness, and early warning and monitoring.

On Tuesday, Facilitator Kumarsingh introduced a table indicating potential areas of convergence and divergence. The G-77/China disagreed with some of the areas identified as having convergence, and said objectives and principles should be addressed first. Bangladesh suggested prioritizing items that can be fast-tracked. The EU suggested making concrete progress on areas where convergence exists to build trust before addressing areas of divergence. The US said: TNAs, capacity building and enabling environments should be dealt with separately; more clarification was needed on concepts such as “incentive mechanisms” and “technology information”; and references to finance should be moved to the finance section.

The EU, supported by the US, Canada, Japan and others, suggested working in smaller groups to facilitate discussions. The G-77/China opposed smaller groups at this point, with the LDCs suggesting that the main issues should first be addressed in a large group, while smaller groups could focus on removing brackets at a later stage.

On Thursday, Facilitator Kumarsingh presented a consolidated text and asked for initial reactions, and whether and how the consolidated text could be used in Bangkok. A number of delegates noted the usefulness of the consolidation exercise in moving the process forward. The G-77/China requested affirmation that the text did not represent a revised negotiating text. The EU highlighted the necessity of starting negotiations on the text and listed paragraphs where he believed rapid progress could be made. South Africa, supported by China, cautioned against focusing on peripheral areas of convergence and avoiding core issues. AOSIS said they were prepared to move forward and, with South Africa, hoped that the consolidated paragraphs could become the basis of a negotiating document.

Status of the Negotiations: Facilitator Kumarsingh said the results of the technology and capacity-building group would be used as a tool for conducting negotiations in Bangkok, and that parties would have to “crack the tough nuts,” as they move forward. The results will be included in the new information document to be issued before AWG-LCA 7.

MITIGATION: In the BAP, the text on mitigation includes the following sub-paragraphs:

- 1(b)(i) on mitigation by developed countries;
- 1(b)(ii) on mitigation by developing countries;
- 1(b)(iii) on reducing deforestation and forest degradation in developing countries, plus conservation (REDD-plus);
- 1(b)(iv) on sectoral approaches;
- 1(b)(v) on market-based approaches; and
- 1(b)(vi) on consequences of response measures.

During the informal session, the chapter on “Enhanced action on mitigation” in the revised negotiating text (FCCC/AWGLCA/2009/INF.1) was considered by an informal group facilitated by Chair Zammit Cutajar on Tuesday, Thursday and Friday. The group focused on sub-paragraphs 1(b)(i) and (ii) of the BAP, which were also taken up during closed meetings facilitated by Thomas Becker (Denmark) and Margaret Mukahanana-Sangarwe (Zimbabwe), respectively. In addition, four mitigation sub-groups focused on paragraphs 1(b)(iii) to (vi) of the BAP.

Sub-paragraphs 1(b)(i) and (ii) of the BAP: On mitigation by developed countries, discussion focused on, *inter alia*, economy-wide legally binding commitments and comparability of efforts.

Brazil, for the G-77/China, stated that developed countries must take on quantified, economy-wide reduction commitments and called for clear mid- and long-term commitments. Tanzania, for the LDCs, called for: a stricter compliance regime; clear comparability of efforts; and consideration of limits to offsetting.

China said developed countries should take efforts that are comparable in nature and magnitude, including quantified and legally binding targets, and that MRV for developed countries should be based on rules and procedures used under the Protocol. Indonesia highlighted that reducing emissions under domestic legislation is not consistent with the BAP. Bolivia stressed that developed countries have accumulated an atmospheric debt and called for ambitious targets consistent with the magnitude of the problem.

The EU highlighted the need for: comparability criteria to guide the negotiations; MRV that builds on experiences and practices under the Protocol; and a linkage with AWG-KP discussions.

Japan called for a mid-term target in the form of QELROs. The US supported legally binding mid- and long-term quantifiable emission reductions with a timetable, in the form of an appendix, schedule or register. New Zealand highlighted the need for a broad and efficient carbon market.

Canada identified convergence around certain ideas, including that developed countries must take the lead through mid-term emission reductions, and called for a “holistic view” on the comparability of efforts, taking into account a range of mitigation actions. He highlighted the need for MRV and national inventories to strengthen understanding of global emission trends, and called for a compliance and review system that enables parties to meet commitments and strengthens confidence.

During the final meeting of the group on Friday morning, the Secretariat presented on informal meetings by Co-Facilitator Becker on mitigation by developed countries, noting the focus on possibilities for reordering text related to comparability of efforts, also touching upon the issues of supplementarity and MRV.

On mitigation by developing countries, issues discussed included: differentiation; the nature of NAMAs; NAMA registries; recognition of unilateral actions; and MRV. The US supported differentiation, noting that those developing countries with greater capacity, capability and responsibility would need to exhibit greater ambition. He said that, for developing countries, actions rather than their outcome would be binding.

The Republic of Korea identified two key entry points regarding mitigation by developing countries: the legal nature of NAMAs and unilateral NAMAs. He said a future regime should provide a framework where developing countries can engage in mitigation without worrying about whether NAMAs are binding. With Singapore, he said voluntary, unilateral NAMAs must be internationally recognized, and supported a registry for this purpose.

The G-77/China stressed that NAMAs by developing countries are distinct from commitments by developed countries and proposals must reflect this, avoiding treatment of mitigation contributions of all parties in a non-differentiated, unified manner.

Indonesia, with China, stressed that NAMAs should be voluntary and cannot be used for offsetting by developed countries. South Africa, for the African Group, expressed concern with proposals to link NAMAs to the carbon market and noted that MRV of NAMA support by developed countries requires more consideration. She expressed concern over the possibility of double counting. Touching on whether the financing or the NAMA comes first, she supported establishing a workable NAMA system to enable speedy action.

Japan supported NAMAs and low-carbon growth strategies for developing countries. The EU proposed considering the “lifecycle of NAMAs” and discussing how to formulate effective NAMAs, take technology and financing needs into account, match action with support and evaluate the results.

China proposed that support for NAMAs be provided through the Convention’s mechanisms. Chile highlighted that NAMAs should be voluntary and supported by finance and technology.

Colombia agreed with the need to recognize unilateral actions internationally. Pakistan said unilateral actions should not be confused with NAMAs, which should remain loyal to the definition in the BAP. He said the registry notion requires further clarification, and should be placed in the finance chapter. Malaysia supported voluntary NAMAs, contingent on MRV of support. Singapore said enabling support for NAMAs was paramount. China proposed MRV of support by developed countries as the entry point for discussing developing country mitigation.

Japan emphasized that developed country commitments and developing country actions are linked and should both be subject to MRV. Australia supported QELROs for developed countries and differentiation among developing countries. She said flexibility must be built into the agreement for enhancing and updating commitments.

On Friday, Co-Facilitator Mukahanana-Sangarwe presented a non-paper as an example of the general approach she planned to take in preparing text for Bangkok. She stressed that the aim was to enable parties to identify common elements without changing the substance and that proposals had been grouped under nine headings. Countries then gave some detailed comments on the non-paper and the way forward, with several countries proposing changes to the headings and structure.

At the final meeting of the informal group, Chair Zammit Cutajar also drew parties’ attention to proposals that have been placed between the mitigation chapter’s heading and the sub-heading 1(b)(i). He characterized the space as the “cloud” and highlighted its sensitivity, explaining that some parties would prefer discussing certain topics together, while others stress the need to separate them. India and other developing countries stressed the “firewall” between paragraphs 1(b)(i) and (ii), opposing attempts to obscure the differences and bring proposals on MRV by developed and developing countries together. India warned against reopening issues settled on the last day of COP 13 in Bali. The US identified the need to discuss similar issues together and stressed the importance of “seeing the full picture” when considering MRV. He noted a last-minute proposal at COP 13, opposed by his country, to change text on MRV under paragraph 1(b)(ii) so that it would only apply to support for NAMAs by developed countries. He reminded parties of strong statements “by members of a certain Group” in the final plenary confirming a different interpretation.

Chair Zammit Cutajar noted mutually exclusive proposals on structure, noting that placement of text was not an editorial but political question. He emphasized that there would be a space in Bangkok for addressing this issue, suggesting that a logical place for such discussions could be somewhere “above” paragraphs 1(b)(i) and (ii). He advised parties to talk to each other “when you see each other between the meetings” and invited them to bring the fruits back to the “legitimate forum” under the UNFCCC process.

Status of the Negotiations: Chair Zammit Cutajar noted all tools, including the non-paper on paragraph 1(b)(ii), would be forwarded to Bangkok together with the revised negotiating

text, assuring that “nothing is off the table.” The tools will be included in the new information document to be issued before AWG-LCA 7.

Paragraph 1(b)(iii) of the BAP: The sub-group on reducing emissions from deforestation and forest degradation in developing countries plus conservation was facilitated by Tona La Viña (Philippines) and met twice during the week. Parties agreed to consider: objectives and scope of REDD-plus; financing for readiness activities; financing for full implementation; relationship with NAMAs; national reference levels; and sub-national REDD-plus actions. However, given the limited meeting time, parties gave Facilitator La Viña a mandate to meet with interested parties individually, develop a non-paper, and update parties informally throughout the week.

Norway requested consideration of their complete proposal. Tuvalu, Bolivia and Switzerland stressed incorporation of indigenous peoples in the deliberations.

Regarding financing for the readiness activities phase, Papua New Guinea, Guyana, Indonesia and Norway called for a three-phased approach to REDD-plus that would move it from a fund-based to market mechanism. Colombia, Indonesia, Switzerland and others suggested breaking the discussion into what will be financed by the fund and then where finances will come from. Tuvalu, supported by Norway and Zambia, considered financing of readiness activities and implementation to represent a spectrum within a single issue. The Philippines reminded parties to learn from existing efforts in REDD implementation and Tanzania highlighted the role of REDD as incentives to local communities to continue mitigation activities.

On Friday, Facilitator La Viña presented the non-paper and described the preparatory process as extremely open. Parties were generally satisfied with the facilitator’s non-paper, though there were a number of requests to better reflect parties’ ideas. A few stressed that the process should be party-driven and that there was a need for greater transparency. New Zealand highlighted critical challenges that need to be addressed, including: if REDD-plus will be market or fund-based; baseline calculations; issues of non-permanence; the scope of REDD-plus; and accounting at the national or sub-national level. New Zealand suggested creating the basis of REDD-plus in Copenhagen and addressing details in future meetings. The EU acknowledged this need to be prepared for a simple option, but cautioned against giving up on a more ambitious proposal so early.

Status of the Negotiations: There was wide agreement that the non-paper could be used as the basis for negotiation in Bangkok and the results will be included in the new information document to be issued before AWG-LCA 7. However, a number of countries clarified that all ideas remain on the table together with the negotiating text.

Paragraph 1(b)(iv) of the BAP: The issue of cooperative sectoral approaches and sector specific actions was considered on Tuesday and Thursday in an informal sub-group, facilitated by Farrukh Khan (Pakistan). He noted that certain areas in the revised negotiating text required further clarity, and requested parties to focus on certain questions, including what cooperative

sectoral approaches should and should not do, what they should do for Annex I parties and non-Annex I parties, and what should they do for all parties.

Japan emphasized the potential of sectoral approaches to reduce emissions in both developed and developing countries and noted that they help promote technology transfer and capacity building in developing countries. Brazil, for the G-77/China, said proposed actions in sectors should be voluntary and compatible with an open international economic system. Saudi Arabia said sectoral approaches should enhance implementation of Convention Article 4.1(c) (development, application and diffusion, including transfer, of technologies). He said they should not be used to set sectoral goals or targets or compare sector-specific actions between countries or regions. India said all proposals must relate to Convention Article 4.1(c), and opposed harmonization of sectoral standards.

The EU said opportunities to increase efficiency and sustainability through sectoral approaches should not be ignored, and said the shipping and aviation sectors should be included in a global agreement. Norway and Singapore suggested that the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO) update the group on recent activities, while Saudi Arabia opposed. India said they should explain how these proposals embody common but differentiated responsibilities, and how they relate to Convention Article 4.1(c).

The IMO noted 75% of ships in international trade are registered in non-Annex I countries, implying massive technology transfer for these ships, and said that funds generated under market-based approaches would be used for climate change purposes in developing countries. ICAO reported on the programme of action on aviation and climate change. Several parties, including Norway and Singapore, supported inviting ICAO and the IMO to Bangkok to answer parties’ questions; this was opposed by Saudi Arabia.

Algeria, for the African Group, said sectoral approaches were best applied at the national level and, regarding the aviation sector, said additional constraints or incremental costs should not be imposed on developing countries.

Australia said sectoral approaches can assist parties in meeting obligations, but that they should not replace economy-wide commitments or be imposed on countries. The US noted that expertise resides at the sectoral level, which provides a good vehicle to promote cooperation. Tuvalu said the section on sectoral approaches could be simplified and should not be too prescriptive or highlight specific sectors, with the exception of bunker fuels.

During the second meeting, parties considered a non-paper that structured proposals and ideas on objectives, scope and policy guidelines around the five questions. Facilitator Khan also presented a “non-non-paper,” explaining that it aimed to structure and bring further clarity to the text. He also identified questions for consideration, including: nature of sectors; level of guidance; and integration in the climate change regime. Norway and others requested that the questions be made available before Bangkok. Several parties welcomed the non-paper while expressing reservations about the “non-non-paper.”

Status of the Negotiations: Following discussion, Facilitator Khan said the “non-non-paper” would not be considered further, while the non-paper containing revised text would be put forward as a useful guide for discussions. The non-paper will be included in the new information document to be issued before AWG-LCA 7.

Paragraph 1(b)(v) of the BAP: The sub-group on various approaches, including markets, to enhance the cost-effectiveness of, and to promote mitigation actions was facilitated by Kunihiko Shimada (Japan) on Wednesday and Thursday. Discussions focused on proposals for new mechanisms, including sectoral crediting, sectoral trading, and NAMA crediting and trading.

Parties initially addressed criteria and conditions for designing market mechanisms, with the Republic of Korea stressing the need to decide whether market mechanisms are desirable. India said cost-effectiveness and enhancing mitigation are fundamental conditions for market mechanisms. The EU highlighted that market mechanisms would enhance mitigation efforts, while Venezuela stressed that no consensus existed on markets. China noted that there are challenges related to market mechanisms, as well as conditions for considering them. Saudi Arabia stressed that some market mechanisms, such as taxes and subsidies, will have significant spillover effects on developing countries and trade.

Several parties stressed the importance of environmental integrity. Colombia and Mexico, supported by South Africa, emphasized the need to consider sustainable development. The African Group and others underscored regional distribution. Cambodia and Tanzania urged mechanisms that benefit LDCs.

Japan emphasized the need for coordination with the AWG-KP, especially concerning the CDM, while Venezuela stressed the need to keep the AWG-KP and AWG-LCA separate. The US, supported by Colombia, proposed including the project-based mechanisms in a table or matrix to compare proposals and criteria for market mechanisms. The Federated States of Micronesia identified the need to consider consistency between the proposed mechanisms and the Protocol architecture, as well as their relationship to Kyoto units.

The EU presented their proposals on sectoral crediting and sectoral trading. AOSIS identified the need for clarity on sectors, the meaning of credits, boundary issues, MRV and source of funds. The Republic of Korea explained that their proposal on NAMA crediting would address problems experienced under the CDM by expanding the scope of carbon crediting to programmes and policies. He noted that a political decision would be needed on the relaxation of supplementarity and said the methodological issues could be agreed upon later.

Brazil opposed relaxing supplementarity and warned against deferring difficult methodological decisions until after the political decision to create a mechanism. The African Group said NAMAs should be funded through public sources and that crediting based on NAMAs is not acceptable. New Zealand explained that NAMA trading would be voluntary and units would be issued upfront and reconciled at the end of the period, while, for crediting, units would be issued after verification. AOSIS said it was premature to discuss crediting without first reaching a common understanding on NAMAs.

Status of the Negotiations: After discussion, parties agreed that the Facilitator should compile information to compare the various proposals and criteria for market mechanisms to assist discussions in Bangkok. The compiled information will be included in the new information document to be issued before AWG-LCA 7.

Paragraph 1(b)(vi) of the BAP: The issue of economic and social consequences of response measures was considered in an informal sub-group facilitated by Mamadou Hondia (Burkina Faso) on Wednesday and Mama Konaté (Mali) on Thursday.

Brazil, for the G-77/China, underscored that all developing countries face the negative consequences of response measures, including those affecting trade. Saudi Arabia highlighted the significant negative impacts of carbon taxes and tariffs. India and others proposed prohibiting unilateral measures against exports from developing countries. South Africa, for the African Group, urged scaling up finance for adaptation and equitable compensation for those adversely impacted by response measures, as well as support for economic diversification.

Australia, supported by Japan, the US, New Zealand, Canada and the EU, noted convergence on information exchange and encouraged accomplishing this through existing mechanisms such as national communications. In addition, they underscored the importance of a coherent approach considering the work of the Subsidiary Bodies on this issue. The EU and New Zealand urged prioritizing attention to the most vulnerable countries.

Parties subsequently considered a non-paper, containing a restructuring of parties’ proposals and ideas. China, India and Singapore, opposed by the US, suggested that India’s proposal relating to prohibiting unilateral trade measures against exports from developing countries should also be included in the preambular part of the shared vision section.

Status of the Negotiations: Parties agreed to forward the non-paper to the AWG-LCA for incorporation in the new information document to be issued before AWG-LCA 7.

SHARED VISION: This issue was first discussed in an informal group, facilitated by AWG-LCA Chair Zammit Cutajar on Wednesday and Friday. Smaller groups of countries also met to consolidate the text and work on structure with the aim of streamlining text and avoiding duplication.

During the initial discussion on shared vision, Antigua and Barbuda, for AOSIS, supported by the US, suggested incorporating elements of a shared vision into a political statement. Sudan, for the G-77/China, preferred deferring discussions until clarity had been achieved on the other building blocks.

The US and Australia said other processes, such as the G-8, the Major Economies Forum on Energy and Climate Change (MEF) and the Pacific Islands Forum, could provide useful input into this process. Stressing that a long-term global goal is crucial, the EU acknowledged progress has been made on agreement in the MEF to limit warming to not more than 2°C, as well as on the concept of peaking emissions and moving toward low-carbon economies. India cautioned against selectively quoting declarations adopted in other fora. He stressed that his country’s participation in such meetings had been based on the understanding they would provide momentum to the UNFCCC negotiations, but not feed directly into the negotiations

themselves. Japan highlighted the need for a long-term goal for all parties and the importance of referring to global peaking, low-carbon development strategies and development of innovative technologies.

During Friday morning's session, Chair Zammit Cutajar noted that Colombia, with Costa Rica, had undertaken efforts with other parties to consolidate proposals in the text and reduce duplication, while maintaining all the ideas. Colombia reported on the consolidation exercise, as well as on efforts undertaken by Antigua and Barbuda to work on structure. She said suggested groupings/categories to better organize the work included the following: political, guiding principles, actions, nature, context, and outcomes.

Many parties expressed appreciation for the work undertaken, while acknowledging that the specific results would need to be looked at more closely. India said that whatever methodology is adopted, it should not prejudice the structure of the shared vision text, and clarified that no consensus had been reached on the categories mentioned. The EU said initiatives by parties to work on the text were important, and represented a transparent approach. Saudi Arabia said the consolidation and streamlining process could continue during the first week in Bangkok before engaging in negotiations during the second week. Bangladesh stressed that language highlighting the specific needs and vulnerabilities of LDCs, SIDS and Africa should not be lost.

China said it was important that parties cooperate to promote a supportive and open economic system that would lead to sustainable economic growth and development in all countries, particularly developing countries, to enable them to better address climate change. He proposed, for inclusion in the text on shared vision, language recalling Convention Articles 3.1 (common but differentiated responsibilities) and 3.5 (supportive and open international economic system), and Convention Articles 4.3 (developed country commitments on financial support) and 4.7 (developing country implementation). He also stressed that stating that developed countries shall not resort to any form of unilateral measures against goods and services imported from developing countries on grounds of climate change.

India, Saudi Arabia, Singapore, Pakistan and Sudan supported China's proposal, while the EU requested the proposed text be bracketed, highlighting, in particular, concern with referencing Convention Article 3.5. The US noted China's proposal would entail renegotiating Convention Article 3.5, which does not prohibit unilateral measures that are consistent with agreements under the World Trade Organization (WTO). He stressed that any proposal to change international trade rules should be considered by the WTO, not under the UNFCCC. He noted the text was already introduced in the group addressing paragraph 1(b)(vi) of the BAP, and that it would be awkward to negotiate the same text here. Chair Zammit Cutajar said an appropriate place to discuss this proposal must be found.

Saudi Arabia proposed additional language stating that developed countries shall implement policies and measures to respond to climate change to minimize adverse effects, including the effects on international trade and socioeconomic impacts on other parties, especially those mentioned in Convention Article 4.8 (adverse effects).

Status of the Negotiations: Chair Zammit Cutajar said that he would contemplate how to consolidate the rest of the text, but that he would not attempt to consolidate text on the issue of the long-term global goal for emission reductions. The consolidated text will be included in the new information document to be issued before AWG-LCA 7.

CLOSING MEETING: On Friday afternoon, the AWG-LCA closing plenary convened. Chair Zammit Cutajar and Vice-Chair Machado reported on progress and outcomes from the various informal groups. Chair Zammit Cutajar explained that work done by the informal groups during the week would be captured as a collection of "tools and ideas" in a new information document to be issued well in advance before Bangkok, and that the revised negotiating text (FCCC/AWGLCA/2009/INF.1) would be retained as a repository of proposals.

The Democratic Republic of the Congo, Gabon and Mauritania urged that the text be translated into all six UN languages. Chair Zammit Cutajar said consultations had taken place on the question of translation and parties had agreed not to translate the text at this stage. Following brief informal consultations by Vice-Chair Machado, parties agreed that the new information document would be translated before Bangkok as an unofficial translation and that for the remaining meetings, until Copenhagen, similar outputs from meetings would be translated unofficially.

Argentina introduced a submission to further clarify their proposal in the negotiating text related to the social consequences of response measures and a just transition for labor from a high to a low emission economy. India reiterated his country's proposal to consider an open and supportive international economic system as crucial, and asked that it be included in the negotiating text. Chair Zammit Cutajar said new proposals could be included in an addendum in the negotiating text. Australia noted its intention to resubmit draft legislation for a planned emissions trading scheme, which was rejected by the Australian Senate during the week.

Gabon said that the climate of mistrust did not augur well for future negotiations. Venezuela reiterated that the text coming out of Bonn III did not represent consensus text. India expressed concern with the lack of progress and attempts to deviate from the Convention's principles and the BAP. Gabon, Saudi Arabia, India and Ecuador reiterated the need to treat paragraphs 1(b)(i) and 1(b)(ii) of the BAP separately. They also stressed the UNFCCC is the only negotiating body, and that agreements from other fora should not be brought into this process. The US said that all possible fora should be used for exploring and furthering convergence of views, and that ideas from those meetings should be brought to the UNFCCC process to facilitate agreement in Copenhagen. The EU said more progress could have been made in Bonn, and stressed the need to further consolidate and to concentrate on substantive and political issues.

Extending delegates a warm welcome to Bangkok, Thailand expressed hope that the meeting would afford an opportunity for moving forward with the negotiations.

Chair Zammit Cutajar expressed his appreciation to the Facilitators and the Secretariat. He called upon parties to bring their "Copenhagen cards" to Bangkok and play them there. He gavelled the meeting to a close at 6:55 pm.

A BRIEF ANALYSIS OF THE MEETING

In the middle of the northern summer, almost 2,400 participants gathered in Bonn for intersessional informal consultations of the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP). This impressive turnout of so many climate experts willing to sacrifice their holidays was a clear indication that time is running out. Delegates were reminded of this fact at the close of the session on Friday, 14 August, when the clock on the podium of the main plenary hall revealed that the beginning of the Copenhagen conference was 114 days, 15 hours and 55 minutes away.

Only six weeks earlier, many of the same delegates had left Bonn with heavy suitcases, carrying the nearly 200-page long negotiating text developed during AWG-LCA 6, as well as the various non-papers resulting from AWG-KP 8. Upon their return to Bonn, they faced what most characterized as a “considerable challenge”: to make the texts more manageable and workable so that “good old fashioned negotiations can actually begin.”

From the outset, expectations on political movement at this informal session, known as Bonn III, were modest: the vast majority agreed with AWG-LCA Chair Michael Zammit Cutajar that the session was best seen as the first part of a three-week phase extending through the next meeting in Bangkok in late September. Given the session’s informal nature, the two AWGs were not even mandated to adopt conclusions. It was, therefore, clear that Bonn III was not a meeting where major breakthroughs would happen, despite, what some characterized as “positive” political signals taken during the intersessional period in other fora, such as the G-8 and the Major Economies Forum on Energy and Climate Change (MEF). Still, by providing parties with an opportunity to start streamlining the negotiating text, Bonn III played an important role on the road to Copenhagen. Given the range of complex issues on the table, as well as the magnitude of the AWG-LCA’s negotiating text, such opportunities to focus on drafting and technical details are necessary to reach an agreement in Copenhagen. This brief analysis focuses on process and progress under both AWGs at Bonn III, and concludes with a look ahead on the road to Copenhagen through Bangkok and Barcelona.

PROCESS AND PROGRESS AT BONN III

Apart from general agreement that Bonn III was not the place for major political breakthroughs, delegates had somewhat different views on how to proceed. While some developing countries preferred continuing general discussions of the issues reflected in the texts, developed countries stressed the urgency of streamlining, consolidating and polishing the texts in each AWG so that “real” line-by-line negotiations could begin promptly in Bangkok. The key question at the meeting was therefore: how to manage the workload between Bonn III and Copenhagen, including how to best prepare for Bangkok.

AWG-LCA: At the beginning of the meeting, the AWG-LCA negotiating text (FCCC/AWG/LCA/2009/INF.1) stood at nearly 200 pages, earning it the nickname “the brick.” During the opening session, Chair Zammit Cutajar reminded parties that in October 1997 the negotiating text that became the Kyoto

Protocol two months later was only thirty pages. “Times are different, and like emissions, the negotiating text may need to peak before declining, but that’s the kind of manageable length we’re looking for,” he told delegates. Indeed, reading the AWG-LCA negotiating text is a difficult task in itself with ample opportunity to “get lost in the forest of brackets,” but whittling it down to something manageable will be, as one put it, a “monstrous” undertaking. “Afloat on a sea of brackets,” was how another described it, referencing the more than 2,000 brackets reportedly contained in the text.

How, then, to approach “the brick” and the multitude of issues before the AWG-LCA? As agreed in June, the AWG-LCA changed its working method and began addressing the key elements of the Bali Action Plan (BAP) in smaller groups. Facilitators were tasked with assisting the Chair and Vice-Chair with their work. Some groups started by discussing tables, matrices and other ways of comparing proposals in the revised negotiating text. Other groups began producing non-papers and consolidating parts of the text. Consolidation, however, entails the risk that some ideas may be lost, and this came up repeatedly. The question of party ownership became one of the key issues.

The G-77/China wanted to see attributions in the revised negotiating text, noting their proposals were difficult to find and had sometimes been combined with the proposals of others. Many developed country delegates, in turn, did not see the need for attribution, and felt this would make an already complicated text more cumbersome. In the end, a document containing the revised negotiating text with original notes and attributions was placed on the UNFCCC website.

Because of the lack of trust, reassurance was also continuously sought that the various non-papers and other tools would not form the basis for negotiations and aimed merely to help parties navigate the revised negotiating text. The facilitators reiterated that they would not remove any substantive proposals, or add any of their own ideas. Overall, despite a somewhat confusing start, the methodologies for proceeding with the “brick” under the various groups became clearer as the week went on. Some delegates, however, still complained that the plethora of “tools” was complicating the process and protracted discussion on process was “eating into valuable negotiating time.”

While the mid-week stocktaking meeting signaled a lack of clarity as to how the work being done at Bonn III would be forwarded to Bangkok and what form it would take, the mood at the closure of the meeting was somewhat more optimistic. Although many commented on “uneven” progress among the various groups, delegates did cite significant progress in the adaptation and technology groups, as well as on REDD-plus. Some, therefore, suggested that negotiations in Bangkok could begin earlier on the issues where more progress had been made at Bonn III. Well in advance of Bangkok, the consolidated texts, matrices and tables developed during the course of the meeting, as well as those to be prepared for the remaining issues, will be combined into a new information document to be used as a tool to aid the negotiations. However, the negotiating text prepared for Bonn III will remain the main text on the table, meaning that parties will have two documents in Bangkok. Therefore, for those who initially hoped to leave Bonn with a new streamlined

version of the revised negotiating text, this goal was not realized. Nevertheless, many hoped the pace would pick up and more trust would be built among parties in Bangkok.

AWG-KP: Under the AWG-KP, discussions continued on Annex I parties' emission reductions in the form of technical exercises. Targets pledged by Annex I countries – including recent announcements by Russia and New Zealand – tend to use different base years and are also based on different assumptions about sinks and market mechanisms, making them difficult to compare. Most participants, therefore, found the in-depth discussions useful, even interesting. Some developing countries said that Annex I parties were engaging in a way that they had not previously done, and said this indicated a renewed interest in the process. Still, many felt that there was little movement on the long-standing differences underpinning the AWG-KP's work: debates over the scope of the group's mandate continued to surface from time to time. Developed and developing countries continued voicing different views on whether Annex I parties' post-2012 targets should be defined using a bottom-up or top-down approach. Furthermore, most of the key Annex I parties maintain that the aggregate range of their emission reductions cannot be discussed without the US, which is not a party to the Kyoto Protocol and does not participate in discussions under the AWG-KP. Developing countries, in turn, stressed the need to keep the two AWGs separate.

Concerning the "other issues" under the AWG-KP, the focus this time was on the flexibility mechanisms. Going through the document (FCCC/KP/AWG/2009/10/Add.3), few options were deleted and some delegates were heard wondering whether parties would postpone even the less critical political compromises until Copenhagen. "This is an expensive educational exercise," commented one veteran.

Regarding the outcomes of Bonn III, the AWG-KP's deliberations were reflected in non-papers, which AWG-KP Chair John Ashe (Antigua and Barbuda) will take into account when revising the AWG-KP documents for Bangkok. Many negotiators echoed the Chair's sentiments at the closing of the session: parties will have to work "twice as hard" in Bangkok to be able to finalize an agreement in Copenhagen.

"TOUGH NUTS TO CRACK": While "an agreement in Copenhagen" is what everyone identifies as their objective, Bonn III showed that divergent views are still prevalent on many critical issues, including the legal form of such an agreement. Many felt that the discussions have not progressed since the previous round of consultations in June. However, some pointed to frank discussions during an informal seminar on the legal architecture held just prior to Bonn III, where some parties and NGOs presented their visions and which most participants characterized as interesting and useful. Many also said it was significant that, during the AWG-LCA Chair's closed informal consultations, some developing countries voiced for the first time their preference for a legally binding outcome. Many other developing countries, however, continued to express desire to postpone further discussions on the issue until Copenhagen, reiterating "form before function," while others preferred an outcome from the AWG-LCA consisting of a series of COP decisions. Overall, divisions remain deep as to whether the outcome should be a new legally binding instrument (as

preferred by most developed countries) and on whether the possible new instrument should replace or complement the Kyoto Protocol.

Another related issue concerns the relationship between the two AWGs. Most developing countries maintain that the two negotiating tracks must be kept separate, while many developed countries are calling for close cooperation between the two AWGs. At Bonn III, some observed that the substantive overlap between the AWGs is now increasingly visible. In addition to parallel discussions on mitigation by Annex I countries, some also identified similarities in the discussions on market mechanisms under both AWGs. These included some principled questions, such as supplementarity and whether parties should set limits to offsetting. Some also alluded to links between proposals made under the Protocol to extend the share of proceeds to joint implementation and emissions trading on the one hand, and discussions on adaptation and finance under the AWG-LCA on the other. Proposals on NAMA crediting and sectoral trading have also been submitted under both AWGs. During the AWG-LCA discussions, AOSIS and some others identified the need to consider how the Kyoto units and the Protocol's legal architecture would relate to possible new market mechanisms under the AWG-LCA. In what many felt was an interesting development, the US expressed interest in including information on the Protocol's Clean Development Mechanism (CDM) in documents to be prepared for Bangkok under the AWG-LCA – a proposal facing stiff opposition from some developing countries, who stress the need to avoid bringing any issues under the Protocol to the AWG-LCA.

Legal form of the outcome and links between the two AWGs are what many would consider amongst the most sensitive procedural topics in the lead up to Copenhagen. Some of "toughest and most substantive nuts to crack" come under the AWG-LCA: specifically, how to address paragraphs 1(b)(i) and 1(b)(ii) of the BAP, namely mitigation by developed and developing countries, respectively. Most developing countries want to maintain a "firewall" between the two paragraphs, stressing fundamental differences in mitigation by developed and developing countries. However, many developed countries are interested in discussing mitigation actions that are common to all parties, in which they highlight the monitoring, reporting and verification of mitigation action.

Given the complexity and underlying fundamental differences between parties on some of these critical issues, many seem to be resigned to the fact that the Copenhagen outcome, at best, may only take the form of a skeletal agreement with most of the details to be finalized later.

THE WAY FORWARD

The next stop on the road to Copenhagen will be Bangkok at the end of September. There will be other stops – some of them outside the UNFCCC process, such as the UN Secretary-General's High-Level Event on Climate Change and the G-20 meeting in Pittsburgh in the United States, both scheduled to take place the week before Bangkok. These parallel processes are in fact where many are looking for much-needed political guidance. However, even these high-level meetings are not without dispute, as some have questioned the appropriateness of bringing ideas from these processes into the UNFCCC negotiations.

Most would agree that, without significant process in Bangkok, reaching agreement in Copenhagen will be extremely difficult. Bonn III may have just achieved the bare minimum needed to begin real negotiations in Bangkok: even though the AWG-LCA's impressive "brick" will still travel to Asia with the parties, the negotiating text will arrive in Bangkok alongside a number of reading guides, consolidated sections and other tools aimed at making it more accessible. Nevertheless, with the ticking of the clock to Copenhagen getting louder by the minute, and, with just five weeks of official negotiating sessions remaining, those hoping for an agreement in December know there is not a minute to waste. As one delegate aptly put it "Time is not our friend."

UPCOMING MEETINGS

FIRST MEETING OF THE CONFERENCE OF AFRICAN HEADS OF STATE AND GOVERNMENT ON CLIMATE CHANGE AND AFRICAN LEAD EXPERTS ON CLIMATE CHANGE:

This meeting will take place on 24 August 2009 at the African Union Headquarters in Addis Ababa, Ethiopia. The meeting will bring together negotiators and heads of state to help translate positions from African leaders into negotiating positions and text. For more information, contact Acting Director, Department of Rural Economy and Agriculture, African Union: tel: +251-11-551-7700; fax: +251-11-551-6062; e-mail: abebehg@africa-union.org; internet: <http://www.africa-union.org/root/au/index/index.htm>

WORLD CLIMATE CONFERENCE 3: The Third World Climate Conference will take place from 31 August - 4 September 2009 in Geneva, Switzerland. The First and Second World Climate Conferences, held in 1979 and 1990 respectively, resulted in major movement on climate change issues. The third conference will take as its theme "Better climate information for a better future," and will focus on how humankind can benefit from the advances in climate prediction and knowledge. It will also serve as input to UNFCCC COP 15. For more information, contact: Buruhani Nyenzi, WCC-3 Secretariat, WMO; tel: +41-22-730-8273; fax: +41-22-730-8042; e-mail: wcc-3@wmo.int; internet: http://www.wmo.int/pages/world_climate_conference

HIGH-LEVEL EVENT ON CLIMATE CHANGE: UN Secretary-General Ban Ki-moon will host an all-day, high-level event on climate change for Heads of State and Government at United Nations Headquarters on Tuesday, 22 September 2009, one day before the opening of the general debate of the sixty-fourth session of the General Assembly. For more information, see <http://www.un.org/en/events/>

INTERNATIONAL SYMPOSIUM ON CLIMATE CHANGE AT THE EVE OF THE SECOND DECADE OF THE CENTURY: This meeting will take place from 22-25 September 2009 in Belgrade, Serbia. The symposium will review: global climate change; recent developments in paleoclimate; the use of paleodata to assess the future climate under various greenhouse gas scenarios; and regional climate change. For more information, contact: Djordje Sijacki; e-mail: Milankovic09@sanu.ac.rs; internet: <http://www.sanu.ac.rs/English/Milankovic2009/Milankovic.aspx>

INTERNATIONAL SYMPOSIUM ON ICTS AND CLIMATE CHANGE: This symposium on information and communication technology (ICT) and climate change will take place on 23 September 2009 in Seoul, Republic of Korea. The symposium will be webcast and participants can participate remotely. For more information, contact: Arthur Levin, International Telecommunication Union; tel: +41-22-730-6113; fax: +41-22-730-5853; e-mail: arthur.levin@itu.int; internet: <http://www.itu.int/ITU-T/worksem/climatechange/200909/index.html>

PITTSBURGH G-20 SUMMIT: The next meeting of the Group of 20 industrial and emerging market economies will take place in Pittsburgh, Pennsylvania, United States, from 24-25 September 2009. For more information, go to <http://www.pittsburghsummit.gov/>

AWG-LCA 7 AND AWG-KP 9: The seventh meeting of the AWG-LCA and the ninth session of the AWG-KP are scheduled to take place from 28 September - 9 October 2009 in Bangkok, Thailand. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

HIGH-LEVEL MEETING ON AVIATION AND CLIMATE CHANGE: This meeting, organized by ICAO will meet from 7-9 October 2009 in Montreal, Canada. The meeting will review the Programme of Action recommended by the Group on International Aviation and Climate Change (GIACC). For more information, contact: ICAO Environment Section, tel: +1-514-954-8022; fax: +1-514-954-6769; e-mail: envhlm@icao.int; internet: <http://www.icao.int/HighLevel2009/>

GLOBAL RENEWABLE ENERGY FORUM 2009: SCALING UP RENEWABLE ENERGY: This meeting, co-organized by the Ministry of Energy of Mexico and UNIDO, will take place from 7-9 October 2009 in León, Mexico. The Forum will seek to promote dialogue in order to strengthen interregional cooperation and encourage innovative multi-stakeholder partnerships aimed at scaling up investments in renewable energy. For more information, contact: Pradeep Monga, Director, Energy and Climate Change Branch, UNIDO; tel: +43-1-26026-3018; e-mail: GREFMexico2009@unido.org; internet: <http://www.grefmexico2009.org/>

13TH WORLD FORESTRY CONGRESS: This meeting will take place from 18-23 October 2009 in Buenos Aires, Argentina. The meeting's focus is "Forests in development: a vital balance," and will have a day devoted to "Forests and climate change: to Copenhagen and beyond." For more information, contact: Leopold Martes, Secretary-General of World Forestry Congress; tel: +54-11-4349-2104; e-mail: lmontes@cfm2009.org; internet: <http://www.cfm2009.org>

7TH WORLD FORUM OF SUSTAINABLE DEVELOPMENT: OUAGADOUGOU 2009: This conference will take place from 19-22 October 2009 in Ouagadougou, Burkina Faso. The theme is "Climate Change, Mobility and Sustainable Prospects of Development." For more information, contact: Louis Blanc Traore, Ministry of Environment; tel: +226-5031-3166; fax: +226-5030-6491; e-mail: lbraore@yahoo.fr; internet: http://www.fmdd.fr/english_version.html

31ST SESSION OF THE IPCC: This meeting will take place from 26-28 October 2009 in Bali, Indonesia. Prior to the meeting, Working Groups I, II and III will approve their respective outlines for the Fifth Assessment Report. For more information, contact: the IPCC Secretariat; tel: +41-22-730-8208; fax: +41-22-730-8025; email: ipcc-sec@wmo.int; internet: <http://www.ipcc.ch>

RESUMED AWG-LCA 7 AND AWG-KP 9: A resumed seventh session of the AWG-LCA and the resumed ninth session of the AWG-KP are scheduled to take place from 2-6 November 2009 in Barcelona, Spain. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

CONFERENCE ON AVIATION AND ALTERNATIVE FUELS: This conference is organized by ICAO and will take place from 16-18 November 2009 in Rio de Janeiro, Brazil. This conference will showcase the state of the art in aviation alternative fuels and potential implementation. For more information, contact: ICAO Air Transport Bureau; tel: +1-514-954-8219, ext. 6321; e-mail: envcaaf@icao.int; internet: <http://www.icao.int/CAAF2009/>

SEVENTH WORLD FORUM OF SUSTAINABLE DEVELOPMENT: PARIS 2009: This conference will take place from 19-20 November 2009 in Paris, France. The theme is “The new world order: after Kyoto and before Copenhagen.” For more information, contact: Passages-ADAPes; tel: +33 01 43 25 23 57; fax: +33 01 43 25 63 65 / 62 59; e-mail: Passages4@wanadoo.fr; internet: http://www.fmdd.fr/english_version.html

UNFCCC COP 15 AND KYOTO PROTOCOL COP/MOP 5: The fifteenth Conference of the Parties to the UNFCCC and fifth Meeting of the Parties to the Kyoto Protocol are scheduled to take place from 7-18 December 2009 in Copenhagen, Denmark. These meetings will coincide with the 31st meetings of the UNFCCC’s subsidiary bodies. Under the “roadmap” agreed at the UN Climate Change Conference in Bali in December 2007, COP 15 and COP/MOP 5 are expected to finalize an agreement on a framework for combating climate change post-2012 (when the Kyoto Protocol’s first commitment period ends). For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

GLOSSARY

AOSIS	Alliance of Small Island States
AWG-KP	<i>Ad Hoc</i> Working Group on Further Commitments for Annex I Parties Under the Kyoto Protocol
AWG-LCA	<i>Ad Hoc</i> Working Group on Long-term Cooperative Action under the Convention
BAP	Bali Action Plan
CCS	Carbon capture and storage
CDM	Clean Development Mechanism
COP	Conference of the Parties
COP/MOP	Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol
GEF	Global Environment Facility
GTP	Global temperature potential
GWP	Global warming potential
ICAO	International Civil Aviation Organization
IMO	International Maritime Organization
IPCC	Intergovernmental Panel on Climate Change
IPR	Intellectual property rights
JI	Joint implementation
LDC	Least developed country
LULUCF	Land use, land-use change and forestry
MEF	Major Economies Forum on Energy and Climate Change
MRV	Monitoring, reporting and verification
NAMA	Nationally Appropriate Mitigation Action
QELROs	Quantified emission limitation and reduction objectives
REDD	Reducing emissions from deforestation in developing countries
REDD-plus	Reducing emissions from deforestation in developing countries, plus conservation
SIDS	Small Island Developing States
TNA	Technology Needs Assessment
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organization