

AWG-LCA 7 AND AWG-KP 9 HIGHLIGHTS: MONDAY, 28 SEPTEMBER 2009

The Bangkok Climate Change Talks opened on Monday morning with a welcoming ceremony. In the morning, the AWG-KP opening plenary took place, followed by the AWG-LCA opening plenary. In the afternoon, contact groups convened to consider adaptation, technology, mitigation and finance under the AWG-LCA and Annex I emission reductions, other issues and potential consequences under the AWG-KP.

WELCOMING CEREMONY

Yvo de Boer, UNFCCC Executive Secretary, highlighted determination by over 100 world leaders at the UN Secretary-General's Summit on Climate Change on 22 September 2009 in New York to seal a comprehensive, fair and effective deal in Copenhagen, identifying this as "a real turning point." He expressed confidence that delegates have now been given the high-level support at home that will enable ambitious negotiations and stressed that the Bangkok talks must end in an "evident spirit of cooperation and with evident progress."

Noleen Heyzer, UN Under-Secretary-General and Executive Secretary of the UN Economic and Social Commission for Asia and Pacific, urged countries to set aside their differences in the "race against time," called for a development-oriented solution to climate change and identified agreement on financial and technological resources as the key to success.

Suwit Khunkitti, Minister of Natural Resources and Environment of Thailand, urged parties to reach a holistic and ambitious agreement in Copenhagen. He highlighted the need to address developing countries' ability to adapt to climate change and for integrating development, mitigation and adaptation issues to enable sustainable development.

Connie Hedegaard, Minister of Climate and Energy of Denmark, noted the momentum created during the intersessional period and urged parties to create a negotiating text that maps out the key political choices to be made in Copenhagen. She expressed disappointment at the lack of agreement on climate finance by the G-20 in Pittsburgh and stressed the need for a deal that includes all the building blocks of the Bali Action Plan (BAP).

Abhisit Vejjajiva, Prime Minister of Thailand, noted encouraging statements at the Secretary-General's Climate Change Summit by major economies, such as the US, China, Japan and India, expressing unprecedented commitments. He noted that while the outcome from G-20 on climate change was not "as strong as it should be," leaders of major economies had shown a commitment to reaching a deal in Copenhagen.

AWG-KP OPENING PLENARY

ORGANIZATIONAL MATTERS: Chair John Ashe (Antigua and Barbuda) opened the first part of AWG-KP 9, highlighting recent Protocol ratifications by Turkey, Kazakhstan and Zimbabwe. He urged the AWG-KP to intensify its work to avoid "a global disappointment" in Copenhagen.

Parties then adopted the agenda (FCCC/KP/AWG/2009/11) and agreed to the organization of work (FCCC/KP/AWG/2009/11; FCCC/KP/AWG/2009/13 and FCCC/KP/AWG/2008/8).

OPENING STATEMENTS: Sudan, for the G-77/CHINA, expressed concern over slow progress under the AWG-KP, lamenting delay in adopting conclusions on Annex I parties' aggregate and individual emission reductions. While noting Japan's new pledge to reduce emissions by 25% from 1990 levels by 2020, he stressed that the overall emission reductions pledged by Annex I countries were still below levels demanded by historical responsibility and science. He emphasized that agreement in Copenhagen will not be possible without Annex I leadership.

Belize, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), highlighted that the best available science requires stabilizing greenhouse gas concentrations as far below 350 ppm as possible and limiting temperature increase to below 1.5°C, stressing that 2°C is inconsistent with the Convention's precautionary approach. He lamented the "enormous gap" between science and current Annex I pledges, and urged industrialized countries to cut emissions by more than 45% by 2020.

Algeria, for the AFRICAN GROUP, said Annex I countries must reduce emissions by at least 40% by 2020 and, acknowledging Japan's new pledge, urged other Annex I parties to step up their pledges.

Australia, for the UMBRELLA GROUP, called for a "comprehensive and durable" outcome in Copenhagen and identified the need for coherence between the AWGs.

Lesotho, for the LEAST DEVELOPED COUNTRIES (LDCs), stressed the need for ambitious mitigation targets by Annex I countries and to avoid compromising sustainable development and the survival of the LDCs.

Sweden, for the EUROPEAN UNION (EU), urged parties to increase their emission reduction commitments and welcomed the new Japanese pledge. He identified the need for coordination with AWG-LCA and for continuing discussions on enhancement of carbon markets and LULUCF rules.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, stressed the need to strengthen coordination between the AWGs and emphasized that both AWGs should finish their work in Barcelona in November.

BOLIVIA lamented that negotiations under the AWG-KP are behind schedule and urged parties to work towards an equitable and just outcome. TUVVALU stressed that the Protocol must survive after Copenhagen as a standalone agreement. INDIA highlighted ambitious targets by Annex I countries as a central feature of a successful agreement. LIBERIA stressed the vulnerability of LDCs and outlined his country's energy policy, which includes a low-emissions development path.

CHINA underlined the Protocol's importance and stressed the need to complete the AWG-KP's work at COP/MOP 5. SAUDI ARABIA supported retaining the Protocol. PAKISTAN identified Annex I countries' aggregate and individual targets as the main stumbling block in the negotiations. GUYANA called for prioritizing work, given the scarce time remaining before COP 15. THAILAND stressed that the world is waiting for Annex I targets and expressed hope that improved rules on sinks under the Clean Development Mechanism (CDM) would provide positive incentives for developing countries. PERU stressed that the burden of addressing climate change should not be transferred to developing countries, including through the use of trade measures. TURKEY noted that all countries should contribute to solving the climate change problem in accordance with the principle of common but differentiated responsibilities and without jeopardizing sustainable development.

KYRGYZSTAN noted that glaciers are projected to decrease by half by 2050 and called for sufficient attention to the problems of the Himalayan region. GUATEMALA outlined efforts at the national level to create an interministerial committee and to engage civil society and indigenous peoples.

ANNEX I FURTHER COMMITMENTS: Delegates agreed to establish four contact groups on: Annex I emission reductions; other matters; potential consequences; and legal matters.

OTHER MATTERS: Chair Ashe said that he would undertake informal consultations on how to proceed with work in Barcelona and Copenhagen.

AWG-KP CONTACT GROUPS

ANNEX I EMISSION REDUCTIONS: Co-Chair Wollansky noted a list of issues for discussion compiled at the informal meeting in August, and identified Annex I parties' aggregate emission reductions and individual contributions as the most prominent issues.

JAPAN outlined the new government's climate policy objectives, including a mid-term emission reduction goal of 25% from 1990 levels by 2020, and enhanced financial and technological support. He indicated that the pledge is premised on a fair and effective international framework where all major economies participate, stressing that a simple Protocol extension will not suffice. He explained that Japan has not yet decided whether the new target includes offsetting and sinks.

SOUTH AFRICA acknowledged Japan's new target and invited other Annex I countries to come up with emission reductions consistent with the scale required by science, while encouraging them not to condition their pledges on action by others. BRAZIL stressed the AWG-KP's mandate and identified the AWG-LCA as the appropriate forum for discussing developing country actions.

Responding to Tuvalu's request to clarify their views regarding the Protocol's future, the EU explained that the Protocol's architecture has many elements that can be taken forward. Highlighting the need for an effective outcome in

Copenhagen, he said a single instrument would be more simple, *inter alia*, in terms of ratification. He stated that this does not necessarily mean the Protocol "will have to die" and highlighted parties' emission reduction commitments under the Protocol until 2012 and subsequent compliance assessment.

OTHER ISSUES: Vice-Chair Dovland stressed the need to avoid bringing too many issues to Copenhagen. He explained that the contact group would have six time slots for the flexibility mechanisms and six slots for LULUCF, and that Marcelo Rocha (Brazil) and Bryan Smith (New Zealand) would continue to co-facilitate a spin-off group on LULUCF.

On LULUCF, Co-Facilitator Smith noted ongoing informal discussions between countries with similar proposals and plans to prepare a new text or non-paper. On the flexibility mechanisms, Vice-Chair Dovland suggested starting with issues where progress could be easier.

TUVVALU requested referring to the legal matters group the question of whether the Protocol would be subsumed under a new agreement in Copenhagen and if so whether the Protocol's mechanisms would disappear or how they could be transferred under the new legal regime. Supported by the AFRICAN GROUP and others, he stressed that some mechanisms, such as the CDM, exist only under the Protocol and that if the Protocol will be absorbed by a new agreement, these will either disappear or be opened to renegotiation. Identifying the need for consistency, SWITZERLAND noted that the legal matters group would have to address these questions for all elements of the Protocol.

SOUTH AFRICA expressed concern that cutting and pasting elements of the Protocol into a new agreement would open issues for renegotiation and stressed that there is no consensus on merging the negotiating tracks into a single agreement. INDIA emphasized that cutting and pasting the Protocol mechanisms into a new agreement could lead to "picking and choosing" and renegotiation. The EU, supported by JAPAN, said that they do not wish to renegotiate either the Marrakesh Accords or the Protocol, but that in order to achieve the Convention's ultimate objective of avoiding dangerous climate change, parties have "every reason to move forward and not get stuck in history."

POTENTIAL CONSEQUENCES: Co-Chair Konaté introduced the text forwarded by AWG-KP 8 held in June 2009 (FCCC/KP/AWG/2009/9) and the revisions made during the informal session in August (FCCC/KP/AWG/2009/12). He proposed using the seven negotiating slots for both drafting and contact groups with the goal of finishing the group's work in Bangkok. Parties agreed to meet first in a contact group to discuss broader issues.

AWG-LCA OPENING PLENARY

ORGANIZATIONAL MATTERS: AWG-LCA Chair Michael Zammit Cutajar (Malta) opened the session, noting the approaching deadline and the need for hard work. Parties adopted the agenda (FCCC/AWGLCA/2009/11) and agreed to the organization of work (FCCC/AWGLCA/2009/11 and 12).

LONG-TERM COOPERATIVE ACTION: The Secretariat introduced the relevant documents (FCCC/AWGLCA/2009/INF.1 and Add.1; FCCC/AWGLCA/INF.2 and Add.1-2; FCCC/AWGLCA/2009/MISCs.6 and 7).

Parties agreed to contact groups on: adaptation, co-chaired by William Kojo Agyemang-Bonsu (Ghana) and Thomas Kolly (Switzerland); technology, co-chaired by Kishnan Kumarsingh (Trinidad and Tobago) and Kunihiro Shimada (Japan); capacity building, co-chaired Fatu Gaye (Gambia) and Georg Børsting

(Norway); mitigation, chaired by Chair Zammit Cutajar; a shared vision, also chaired by Chair Zammit Cutajar; and financing, chaired by Vice-Chair Luiz Figueredo Machado (Brazil).

Chair Zammit Cutajar outlined plans by Vice-Chair Machado to consult informally on organization of work. He said he planned to consult informally on certain general concepts and issues, including: general guiding concepts that affect placement of material in the negotiating text as a whole, such as a long-term global goal for emission reductions, as well as principles and frameworks for mitigation actions by all parties; placement of proposals related to technological or financial support for adaptation and mitigation actions by developing countries; and on the form and legal nature of the agreed outcome.

On how to approach proposals relating to principles and frameworks for mitigation actions by all parties, delegates discussed, *inter alia*, whether to address these issues in informal consultations or in the mitigation contact group. Chair Zammit Cutajar took note of the discussion and said place would be provided for discussing this subject.

Chair Zammit Cutajar then outlined his views on the nature of the AWG-LCA's work and some essential deliverables in Copenhagen. Under areas for action, he noted, *inter alia*, convergence on enhanced plans and programmes on adaptation and strengthening international support for a specific arrangement for adaptation financing additional to ODA. On mitigation actions by developing countries, he noted the need to define a mechanism for enabling support and incentives for REDDplus. On mitigation by developed countries, he highlighted the comparability of efforts, markets mechanisms and offsetting. Chair Zammit Cutajar also identified the need to agree on "what is to be common and what is to be differentiated" in frameworks for mitigation actions. Emphasizing the need to avoid duplication, he noted that time had come to give consideration to aligning the work of the AWGs. He warned that negotiations should not be contaminated by tensions arising from trade relations.

OPENING STATEMENTS: Sudan, for the G-77/CHINA, emphasized that the AWG-LCA should be an open, party-driven, transparent and inclusive process and that concrete proposals for specific amounts of financing had yet to be made. He said the emphasis had been on shifting financing responsibilities to private sector and developing countries. On adaptation, he said the main burden of implementation had been relegated to developing countries.

Barbados, for AOSIS, highlighted the AOSIS Summit on 21 September in New York, where the heads of state had agreed on a "bold declaration to work with urgency and purpose" and stressed that "comfort and political accommodation should not drive the major players." On financing, he said no proposals approached the scale of resources needed for adaptation, especially for small island developing states (SIDS) and LDCs, and stressed that financing should not be held hostage to progress in other areas.

Algeria, for the AFRICAN GROUP, expressed concern with translation of documents and the multiplicity of contact- and sub-groups. He prioritized adaptation, finance, technology transfer and capacity building, indicating that agreement on adaptation finance would enable faster progress.

Australia, for the UMBRELLA GROUP, called for coordination between the AWGs and stressed that the agreement should capture the full range of mitigation efforts, with common architecture and obligations grounding the common responsibility of all countries to mitigate climate change.

Lesotho, for the LDCs, underscored, *inter alia*, action on the adaptation framework for implementation of national adaptation programmes of action (NAPAs), technology and capacity building programmes, and finance that is reliable and additional to ODA.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, stressed the need to accelerate the negotiating process and supported holding a stocktaking plenary on Friday.

Sweden, for the EU, emphasized the need to condense the negotiating text and focus on the key political issues forming the pillars.

AWG-LCA CONTACT GROUPS

ADAPTATION: Co-Chair Agyemang-Bonsu suggested proceeding in two phases: first reviewing the adaptation text's structure with a view to streamlining it and developing a revised text; and then engaging in textual negotiations during the second week. Many countries expressed their readiness to work based on the consolidated text.

The Maldives, for the G-77/CHINA, emphasized the need for equal treatment of mitigation and adaptation. With Tanzania, for the AFRICAN GROUP, Bangladesh, for the LDCs, and the Cook Islands, for AOSIS, he called for focusing on implementation of actions and the means for implementation. AOSIS also highlighted the need to consider compensation for loss and damage.

The US recognized the need for scaled-up financial support while also calling for progress on the substance of required adaptation actions. NORWAY, with the EU, noted potential for further convergence in the text. With the US and BARBADOS, he suggested omitting response measures from the section, which SAUDI ARABIA, UNITED ARAB EMIRATES and ALGERIA opposed.

TECHNOLOGY: Noting potential for further consolidation of text, Co-Chair Kumarsingh identified "blocks" that could be addressed including, *inter alia*, enhanced action on technology, capacity building and enabling environments, cooperative RD&D, technology innovation centers, institutional arrangements and financing technology.

Noting readiness to enter into negotiations, the Philippines, for the G-77/CHINA, urged addressing "crux" issues quickly. BANGLADESH urged deleting paragraphs where possible. Uganda, for the LDCs, suggested the co-chairs provide an abstract of the key elements desired in the technology section. AUSTRALIA, supported by CANADA, invited parties to meet informally to further discuss areas of divergence. JAPAN supported further consultation on difficult issues, including mechanisms and institutions.

The EU identified areas of convergence including RD&D, capacity building, and policy frameworks and enabling environments. The US noted that the proposed list of "blocks" of text could be further consolidated. He identified three critical components: accelerated global openness to environmentally sound technologies; increased access to technology information and know how; and high-quality technology planning for low-carbon growth. The US also outlined a proposal to establish centers of excellence, and a climate technology hub or core to, *inter alia*, increase availability, capacity and information exchange related to technology.

BRAZIL emphasized the need for action and that the section must be seen in conjunction with financing. ARGENTINA stressed the need to focus on implementation of actions. COLOMBIA reiterated building on existing technology transfer frameworks. CHINA stressed an action-oriented outcome and further considering developing country proposals. PAKISTAN

suggested presenting proposals on institutional arrangements in a table to guide negotiations. Co-Chair Kumarsingh said the co-chairs would work on further consolidating the text.

FINANCE: The Secretariat explained how the finance section had been reordered and consolidated. Parties then discussed how to proceed by either considering the text line-by-line or by separating elements required for agreement in Copenhagen from issues that could be finalized at a later stage, as proposed by Vice-Chair Machado.

The Philippines, for the G-77/CHINA, emphasized the need to enhance the implementation of commitments and delimiting parameters for future work to be done. She said financing should be reflected under the specific elements of mitigation and adaptation. The US advocated a focus on operational elements of the text, acknowledging that some elements would have to be resolved after Copenhagen. On institutional arrangements, he said the Convention provides that the financial mechanism should be entrusted to existing institutions. JAPAN questioned the necessity of preambular sections under each of the building blocks. With a view to shortening the text, SAUDI ARABIA called for the elimination of proposals not in conformity with the Convention.

Referring to preambular language on financial resources required for adaptation and mitigation by developing countries, the EU emphasized that the aim is to strengthen the Convention's implementation by drafting a meaningful legal text as opposed to a purely political declaration.

Uganda, for the LDCs, supported looking at the key elements that would constitute a decision on finance. Barbados, for AOSIS, supported a short and focused preambular section and said that commitments on finance should be legally binding. He opposed Saudi Arabia's proposal to include reference to response measures. TANZANIA supported merging relevant paragraphs and differentiating between adaptation and mitigation funding. The EU noted the importance of highlighting that financial resources should be raised by all countries to, at least, support domestic actions.

MITIGATION: Chair Zammit Cutajar explained that mitigation sub-groups would continue working with the following Facilitators: Thomas Becker (Denmark) for sub-paragraph 1(b)(i) of the BAP (mitigation by developed countries); Margaret Mukahanana-Sangarwe (Zimbabwe) for sub-paragraph 1(b)(ii) of the BAP (mitigation by developing countries); Tony La Viña (the Philippines) for sub-paragraph 1(b)(iii) of the BAP (REDDplus); and Farrukh Khan (Pakistan) for sub-paragraph 1(b)(iv) of the BAP (cooperative sectoral approaches). Chair Zammit Cutajar noted ongoing efforts to find facilitators for sub-paragraphs 1(b)(v) of the BAP (various approaches, including markets) and paragraph 1(b)(vi) of the BAP (response measures).

The facilitators outlined their plans for the Bangkok meeting. INDIA stressed the need to discuss MRV separately for Annex I and non-Annex I countries. TUVAlU, supported by BRAZIL, emphasized the need for transparency in discussing REDDplus and raised concerns over initiatives by certain parties to consolidate text.

Parties then focused on how to consider proposals related to principles and frameworks for mitigation actions by all parties. The US, supported by AUSTRALIA, JAPAN, the EU, NORWAY and others, proposed creating a separate sub-group on proposals relating to common mitigation elements. INDIA and several others opposed, stressing that such proposals are inconsistent with the Convention as they would impose new

requirements on developing countries. The US stressed it would be difficult to move forward on other issues without resolving this subject matter.

COLOMBIA noted they could agree to the US proposal for a new sub-group but emphasized that the issue of support by developed countries should also be discussed in this context. COSTA RICA supported allocating some time for this discussion to help crystallize the work in other sub-groups and the RUSSIAN FEDERATION said a specific slot on mitigation actions by all countries could help to better understand intentions and aspirations of parties. BRAZIL said it is unclear why specific proposals should receive specific time slots and, for the G-77/CHINA, highlighted that no concepts incompatible with the BAP should be introduced.

As a way forward, Chair Zammit Cutajar proposed discussing the proposals for the beginning of the mitigation section before discussions on sub-paragraphs 1(b)i and 1(b)ii of the BAP on Tuesday morning in informal consultations.

IN THE CORRIDORS

In the aftermath of various high-level climate change events, including the UN Secretary-General's Climate Change Summit in New York, many delegates arrived in Bangkok wondering whether new impetus would be injected into the UNFCCC process. Most agreed that some fresh energy and a change of gears were necessary given the "intimidating workload" and rapidly approaching deadline. At the document center, several delegates expressed dismay with the AWG-LCA documentation amounting to nearly 800 pages in its entirety. "At this rate, we'll be negotiating well into next year," opined one delegate.

On Monday evening, however, it seemed that the pace of the negotiations was, indeed, changing. The exceptionally busy first day saw the AWG-LCA barely pausing for breath, let alone lunch: less than half an hour after the opening plenary, parties were already plunging into the contact groups sessions - some of which lasted well past 6 pm.

The atmosphere in both AWGs was also more electric than at previous meetings and several debates on sensitive issues surfaced during the afternoon sessions. Given that the EU and other developed countries expressed support for a single agreement, candid discussions took place under the AWG-KP on the Protocol's fate: whether it would survive beyond the first commitment period, and if not, what would happen to the existing rules, institutions and mechanisms, including the Marrakesh Accords. One senior negotiator worried that if "Kyoto is absorbed into a broader agreement, are we going to have to renegotiate the entire thing?"

Under the AWG-LCA, the afternoon's contact group on mitigation proved to be fairly charged as strong divides persisted between the US and several other developed countries on the one hand, and India and many other developing countries on the other, concerning whether and how to consider common mitigation actions by all parties. Some delegates emerging from the room looked stressed or disappointed, characterizing the tension as a step backwards and feeling unsure as to where things were headed. However, at the same time, many also seemed excited that gears were finally changing and things were starting to happen: "This is the real thing now," commented one inspired seasoned negotiator.