

SUMMARY OF THE BANGKOK CLIMATE CHANGE TALKS:

28 SEPTEMBER - 9 OCTOBER 2009

The first part of the seventh session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the United Nations Framework Convention on Climate Change (AWG-LCA 7) and the first part of the ninth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 9) took place from 28 September to 9 October 2009 in Bangkok, Thailand. Approximately 3,500 participants attended the meeting, representing governments, intergovernmental and non-governmental organizations, academia, the private sector and the media. Both AWGs will resume their sessions from 2-7 November 2009 in Barcelona, Spain, and are scheduled to report to the fifteenth Conference of the Parties (COP 15) to be held in Copenhagen, Denmark, from 7-18 December 2009.

The main objective of the Bangkok session was to continue streamlining and consolidating text under both AWGs. AWG-LCA 7 based its work on the revised negotiating text (FCCC/AWGLCA/2009/INF.1), which reflects deliberations at AWG-LCA 6 in June. To assist its work, the AWG-LCA also had before it reordered and consolidated negotiating text as well as background materials prepared during and after its informal session in August (FCCC/AWGLCA/2009/INF.2 and Adds. 1 & 2). The work in Bangkok focused on the key elements of the Bali Action Plan (BAP), namely: adaptation, finance, technology, mitigation, capacity building and a shared vision for long-term cooperative action. As a result of two weeks of negotiations, the AWG-LCA produced a number of non-papers that will be forwarded to the resumed AWG-LCA 7 in Barcelona.

After the Bangkok session, the length of the text before the AWG-LCA remains considerable and what some characterize as “deep divides” persist in areas such as finance and mitigation. However, progress on issues such as adaptation, technology and capacity building was commonly described as satisfactory. Many delegates also felt that the session had been useful because

parties began focusing on the substance and clarifying issues that need to be resolved through high-level political guidance in Copenhagen.

During the first part of AWG-KP 9, discussions continued on Annex I parties’ emission reductions beyond the first commitment period under the Kyoto Protocol. In addition, parties continued to discuss other issues in the AWG-KP’s work programme (FCCC/KP/AWG/2008/8), including the flexibility mechanisms, land use, land-use change and forestry (LULUCF) as well as potential consequences of response measures. Many saw progress on LULUCF rules as the most important achievement in Bangkok. Most felt, however, that no significant progress was made on Annex I parties’ aggregate and individual emission reductions in the post-2012 period, and differences also surfaced between developed and developing countries concerning whether the outcome from Copenhagen should be an amendment to the Kyoto Protocol or a single new agreement. On the way forward and prospects for Copenhagen, one veteran in the process commented “The ingredients for success are on the table. What we will need for Copenhagen to succeed is political guidance and willingness to step away from national self-interest.”

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A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, which sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid “dangerous 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 189 parties.

In 2005, the first Conference of the Parties serving as the Meeting of the Parties (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 agreed in Montreal 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, 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 Bali Action Plan 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.

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 Bali Action Plan 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 other issues in its work programme, including: the flexibility mechanisms; land use, land-use change and forestry (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 1-14 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 and Subsidiary Body for Scientific and Technological Advice.

AWG-LCA 6 concentrated on developing negotiating text, using a 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 Bali Action Plan.

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.

INFORMAL AWGs: From 10-14 August 2009, the AWG-LCA and AWG-KP held informal intersessional consultations in Bonn, Germany.

For the AWG-LCA, the focus was on how to proceed with the revised negotiating text (FCCC/AWGLCA/2009/INF.1). After a week of consultations, the AWG-LCA began to produce non-papers, reading guides, tables and matrices (FCCC/AWGLCA/2009/INF.2) aimed at making the negotiating text more manageable.

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. The results of this work are reflected in revised documentation prepared by the AWG-KP Chair for Bangkok.

At the close of the consultations in Bonn, delegates in both AWGs seemed increasingly aware of the fact that the negotiating time remaining before Copenhagen is limited, and that important progress will be needed during the Bangkok meeting.

REPORT OF AWG-LCA 7 AND AWG-KP 9

The seventh session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 7) and the ninth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Protocol (AWG-KP 9) opened on Monday, 28 September 2009, with a welcoming ceremony.

UNFCCC Executive Secretary Yvo de Boer highlighted determination expressed by over 100 world leaders at the UN Secretary-General's Summit on Climate Change held on 22 September 2009 in New York, to seal a comprehensive, fair and effective deal in Copenhagen, identifying this as "a real turning point." Noeleen Heyzer, UN Under-Secretary-General and Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific, urged countries to set aside their differences in the "race against time." Suwit Khunkitti, Minister of Natural Resources and Environment of Thailand, highlighted the need to address developing countries' ability to adapt to climate change and to integrate 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 develop negotiating text that maps out the key political choices to be made in Copenhagen. Abhisit Vejjajiva, Prime Minister of Thailand, noted that while the outcome from the 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.

This report summarizes the discussions by the two AWGs based on their respective agendas.

AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION

The seventh session of the AWG-LCA opened on 28 September 2009, chaired by Michael Zammit Cutajar (Malta), with Luiz Figueiredo Machado (Brazil) as the Vice-Chair and Lilian Portillo (Paraguay) as the rapporteur. Chair Zammit Cutajar highlighted 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).

In his opening statement, Sudan, for the Group of 77 and China (G-77/China), called for specific proposals on the scale of financing, lamenting that the emphasis had been on shifting financing responsibilities from developed countries to the private sector and developing countries. Barbados, for the Alliance of Small Island States (AOSIS), stressed that "comfort and political accommodation should not drive the major players." Algeria, for the African Group, expressed concern with the lack of translation of documents and the multiplicity of contact groups and sub-groups. Lesotho, for the Least Developed Countries (LDCs), underscored, *inter alia*, the need for 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 official development assistance (ODA).

Sweden, for the European Union (EU), emphasized the need to condense the negotiating text and focus on the key political issues forming the pillars. 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. Switzerland, for the Environmental Integrity Group, stressed the need to accelerate the negotiating process.

LONG-TERM COOPERATIVE ACTION: This agenda item covers the key elements of the Bali Action Plan (BAP), namely: a shared vision for long-term cooperative action, mitigation, adaptation, finance, technology and capacity building. It was first considered by the AWG-LCA plenary on 28 September. The Secretariat introduced the relevant documents (FCCC/AWGLCA/2009/INF.1 and Add.1; FCCC/AWGLCA/2009/INF.2 and Adds.1-2; FCCC/AWGLCA/2009/MISCs.6 and 7).

Parties agreed to establish contact groups on:

- adaptation, co-chaired by William Kojo Agyemang-Bonsu (Ghana) and Thomas Kolly (Switzerland);
- technology, co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Kunihiko Shimada (Japan);
- capacity building, co-chaired Fatou Ndeye Gaye (the Gambia) and Georg Børsting (Norway);
- financing, chaired by Vice-Chair Machado;
- mitigation, chaired by Chair Zammit Cutajar; and
- a shared vision, also chaired by Chair Zammit Cutajar.

The focus of the AWG-LCA's work was on further consolidating the revised negotiating text (FCCC/AWGLCA/2009/INF.1). In this task, the AWG-LCA was assisted by the tables, tools and consolidated sections developed during and after the informal session in August (FCCC/AWGLCA/2009/INF.2 and Adds. 1-2).

No conclusions were adopted at the meeting. During the closing plenary on 9 October 2009, Chair Zammit Cutajar explained that the work done in Bangkok would be taken forward to Barcelona in the form of several non-papers. The non-papers are available on the Secretariat's website: http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/5012.php.

He also noted that an updated list of proposed new institutional arrangements was available on the UNFCCC website and said he would prepare a list of numerical targets proposed in the context of a long-term global goal for emission reductions under a shared vision, and of mitigation goals under the mitigation section. Chair Zammit Cutajar expressed hope that the non-papers would enable parties to discuss the key issues in their capitals and come to Barcelona with a clear mandate to move the process forward. He also highlighted that the length of the negotiating text was not the key issue, but rather the number of substantive issues reflected within those pages that need to be resolved.

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

Shared Vision: The contact group on a shared vision for long-term cooperative action was chaired by Chair Zammit Cutajar and facilitated by Sandea de Wet (South Africa). It convened in contact group meetings and informal consultations from 29 September to 9 October.

At the informal meeting in August, parties had agreed that Chair Zammit Cutajar would consolidate the text on a shared vision (FCCC/AWGLCA/2009/INF.2). During the first contact group meeting, parties said the consolidation had been useful and supported continuing the exercise. At the second contact group meeting on 1 October, Chair Zammit Cutajar introduced non-paper no. 5. Based on the discussions in Bangkok, non-paper no. 19 was presented to parties on 8 October. Non-paper no. 27 containing background information on the consolidation of the text was also issued on 9 October.

On substance, discussions focused on the nature of a shared vision, a long-term global goal for emission reductions and review of a shared vision.

On the *nature of a shared vision*, the US said that the text on a shared vision was different from text on other building blocks in the sense that it is not operational but political text. He said the text should send an inspirational and positive message to the public. Japan stated that text on a shared vision should be part of the agreement and Australia called for a message that is both inspirational and operational. The EU said that text on a global long-term goal and reviews should be in the operational part. Sudan stressed that a shared vision should be more than a political declaration. Brazil, for the G-77/China, noted that a shared vision should be comprehensive and cover all four building blocks of the BAP. Mexico, for the Environmental Integrity Group, and New Zealand said the focus should be on a long-term global goal. Bolivia reiterated its proposal for reflecting the rights of Mother Earth. South Africa, for the African Group, said a shared vision should balance considerations of climate and development.

On a *long-term global goal* for emission reductions, Antigua and Barbuda, for AOSIS, said that minimizing impacts of climate change on SIDS and the LDCs should be the benchmark, and proposed global emission reductions of 85% by 2050 from 1990 levels, with peaking by 2015, complemented by reductions by Annex I countries of more than 95% by 2050 from 1990 levels. The Environmental Integrity Group, Japan, the EU, Australia and the US supported the global goal of halving emissions by 2050, and the EU suggested that developed countries must decrease their emissions by 80-95% by 2050. Norway supported a science-driven approach, and called for emissions to peak in 2015 at the latest and global emission reductions of 85% by 2050. Japan supported peaking emissions between 2015 and 2025. South Africa suggested that Annex I countries reduce emissions by at least 40% by 2020 from 1990 levels and at least by 80% by 2050. Costa Rica, also speaking for Guatemala and Panama, supported stabilization at 350 ppm.

On a *review of a shared vision*, the Philippines highlighted the Convention's existing review provisions. India supported discussing review of global goals but opposed reviews that are not in the Convention. AOSIS identified the need to review both: the long-term global goal, which would be triggered by science; and implementation arrangements on the four building blocks. Brazil noted that the long-term global goal, defined in terms of a global temperature increase, should be updated, taking into account scientific developments. The EU proposed three types of reviews on: the long-term goal itself; whether parties are on track to meet the goal; and a comprehensive review of actions

under the various building blocks. Australia stressed the need for flexible review mechanisms to take changing circumstances into account.

At the final contact group meeting, highlighting the importance of the section on a shared vision, Chair Zammit Cutajar noted convergence on the idea that the section is more than just a preamble and has "great political significance."

Status of the negotiations: Parties requested Chair Zammit Cutajar to prepare new non-paper no. 33, incorporating parties' inputs, which will be issued before the next meeting in Barcelona.

Mitigation: On mitigation, the BAP contains 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 various approaches to enhance the cost-effectiveness of mitigation action, including markets; and
- 1(b)(vi) on consequences of response measures.

The contact group on mitigation was chaired by Chair Zammit Cutajar. At the group's first meeting on 28 September, parties agreed to establish six sub-groups to focus on the mitigation sub-paragraphs of the BAP. The US, supported by Australia, Japan, the EU, Norway, Colombia and Costa Rica, proposed also creating a separate sub-group to consider proposals relating to common elements of mitigation by all parties. India and several other developing countries opposed, stressing that such proposals are inconsistent with the Convention as they would impose new requirements on developing countries. After informal consultations on 29 September, parties agreed that proposals related to common frameworks for mitigation action by all parties would be discussed in the overarching contact group on mitigation issues.

The *overarching* contact group on *mitigation* convened from 1-9 October. Discussions focused on proposals by several Umbrella Group countries on principles and frameworks for mitigation actions by all parties, for insertion in the beginning of the mitigation section, before text on the sub-paragraphs of the BAP.

Discussions on these issues highlighted differences between developed and developing countries. The US explained that his country's vision is different from the Protocol and builds on the Convention's commitments and obligations that are common for all parties. He outlined a proposal on monitoring, reporting and verification (MRV) for all parties, which builds on the existing frameworks, and would introduce enhanced reporting, as well as a technical review by experts. He said that financial support would be provided for countries that are not capable of meeting the cost, and said that the "sub-elements" of the broad framework would be different, for instance, for the LDCs and for developing countries that have more capacity and responsibility.

Australia elaborated on her country's proposal on national schedules of mitigation commitments or actions, noting that the proposal goes beyond a "pledge and review," takes into account different circumstances and capabilities of parties, and enables transparency and enhanced action over time. She stressed that the proposal does not differ from the Protocol as it entails

economy-wide targets for developed countries. She highlighted synergies with proposals on low-carbon development strategies and registries.

The EU called for a collective effort from all to create low-carbon development strategies. He stressed the need to carry over the “key Kyoto elements” for developed countries, including: economy-wide and binding quantified emission limitation or reduction objectives (QELROs); robust reporting and accounting consistent with Protocol Articles 5, 7 and 8; the flexibility mechanisms; and notions of compliance. He highlighted the need for an architecture that enables developing country nationally appropriate mitigation actions (NAMAs) to go forward, and expressed interest in exploring the idea of national schedules.

Brazil, for the G-77/China, opposed the proposals on frameworks for mitigation action by all parties, stressing the distinction between mitigation by developed and developing countries both in magnitude and legal nature. India and China also opposed the proposals, with India stressing that they conflict with the Convention and the BAP, as they seek to erase the distinction between developed and developing countries and impose new mitigation and reporting commitments on the latter.

Non-paper no. 16 on general issues on mitigation by all parties was prepared on 6 October and further discussed in informal consultations. The informal consultations resulted in non-paper no. 28, prepared on 9 October, clarifying parties’ proposals and further streamlining the negotiating text. At the final contact group on mitigation, Chair Zammit Cutajar described the debate on general mitigation issues as open and frank, as well as useful in identifying where parties stand.

Status of the negotiations: Non-paper no. 28 will be forwarded to Barcelona and form the basis for discussions on general mitigation issues at the resumed AWG-LCA 7.

Sub-paragraph 1(b)(i) of the BAP: The sub-group on mitigation by developed countries was facilitated by Thomas Becker (Denmark) and by interim Facilitator Adrian Macey (New Zealand). It convened in contact groups and informal consultations from 30 September to 9 October.

At the informal AWG-LCA meeting in August, parties requested the Facilitator to consolidate material from the negotiating text on mitigation by developed countries to assist discussions in Bangkok (FCCC/AWGLCA/2009/INF.2). At the contact group meeting on 6 October, Facilitator Macey presented non-paper no. 15 consolidating the text on sub-paragraph 1(b)(i), further taking into account parties’ suggestions and proposals. Non-paper no. 25 was prepared on 9 October. At the closing AWG-LCA plenary, Chair Zammit Cutajar noted he would prepare a summary of numbers proposed by parties in the context of a long-term global goal in a shared vision and mitigation goals.

The discussions focused on the comparability of efforts, mitigation commitments or actions, MRV and compliance. On **comparability of efforts**, discussions revolved around the need for explicit comparability criteria, framing of comparability and emphasis on national or international assessment. Several developed countries indicated that it was not necessary to include a list of comparability criteria in the outcome. The EU specified that such criteria can be useful for the negotiations but not necessary to include in the text.

Brazil, for the G-77/China, stressed the need for a “solid and strong” definition of comparability, highlighting the Protocol as the basis for comparability assessment and identifying the need to define comparability through international negotiations rather than nationally. Tuvalu stressed the need for a legal and prescriptive approach to comparability and highlighted the Protocol as the benchmark. China identified four pillars of comparability, namely: comprehensiveness, nature of commitments, proximity, and compliance.

The US said “stringency” and “comparability” were different issues and supported focusing on national compliance structures. Referring to the Protocol targets, he highlighted that while the numbers are similar for different Annex I countries, there are important differences in actions taken to comply with the targets, cost of action and visions on how the target affects the country’s future emissions. The G-77/China noted that the Protocol’s targets were based on pledges, which was not the solution preferred by all countries, and stressed the need for adequate mid- and long-term mitigation by developed countries. Japan noted that, in addition to numbers, policies and measures can also be used in discussing comparability.

On **mitigation commitments or actions**, the EU, supported by Norway, highlighted the level of ambition as the core of the discussions. The US called for focusing on operational language rather than on expectations. Australia supported stabilization at 450 ppm or less, while the Federated States of Micronesia preferred stabilization at as far below 350 ppm as possible, noting this has been supported by AOSIS and a number of vulnerable countries. Norway outlined plans to reduce emissions by 40% below 1990 levels by 2020.

Parties also discussed informally a proposal from the EU to compile information on pledges for mid-term emission reductions by all Annex I countries, similar to the complication of Protocol parties’ pledges under the AWG-KP. Although many countries supported preparing such a compilation, views diverged on what this exercise should include. Brazil, with Saudi Arabia and Bolivia, highlighted the need to address adequacy of Annex I countries’ pledges in relation to historical responsibility and level of ambition in the mid- and long-term. India, with AOSIS, suggested widening the scope to include an assessment of adequacy in accordance with the latest available scientific literature. The US proposed the paper be viewed within a larger and more comprehensive framework, and address not only pledges but also actions to support them.

Parties also discussed the concept of national schedules of mitigation commitments and actions proposed by Australia, with India opposing it and Brazil noting that the concept, by combining a reference to commitments and actions, weakens commitments by developed countries.

Status of the negotiations: Non-paper no. 25 will be forwarded to the resumed session of AWG-LCA 7 in Barcelona.

Sub-paragraph 1(b)(ii) of the BAP: The sub-group on mitigation by developing countries was facilitated by Margaret Mukahanana-Sangarwe (Zimbabwe) and convened in contact groups and informal consultations from 30 September to 9 October.

At the informal meeting in August, parties requested the Facilitator to consolidate the text on mitigation by developing countries (FCCC/AWGLCA/2009/INF.2). On 3 October,

Facilitator Mukahanana-Sangarwe presented non-paper no. 12 with a further consolidated text. A second non-paper, no. 20, was prepared on 8 October.

On substance, discussions focused on the scope of NAMAs and support, plans and strategies, NAMA mechanism and MRV. On *the scope of NAMAs and support*, China highlighted that NAMAs are voluntary and decided by developing countries, and that actions need to be discussed alongside support. Bangladesh noted the need to clearly define NAMAs and ways to recognize unilateral NAMAs. Canada, with Australia, expressed interest in the South African proposal on the life-cycle of NAMAs. Japan noted that his country proposed achievement of emission intensity targets and national action plans are part of NAMAs.

India highlighted that financial support should cover full costs of measures and not be based on assessments of needs. He also highlighted that unsupported actions cannot be subject to verification. The Philippines identified the need to finance readiness for NAMAs rather than specific actions.

Canada, supported by Argentina, South Africa, for the African Group, Japan, Ethiopia and Mexico, and opposed by Saudi Arabia, proposed deleting a paragraph stating that NAMAs shall not include technologies that have adverse impacts on the environment, such as nuclear power and large-scale hydropower.

Discussion also took place on *the placement of proposals* that developing countries shall elaborate low-carbon development strategies and plans. The US, with Canada, proposed moving the cluster on plans and strategies after the cluster on definition and scope of NAMAs, with Canada clarifying that plans and strategies provide framing for NAMAs. The African Group and India proposed deleting the cluster on plans and strategies, while Australia, the EU, New Zealand and Japan supported retaining it. India noted that a reference to low-carbon strategies should be balanced with a reference to the development imperative. Belize, for AOSIS, said that a distinction between plans and strategies, and NAMAs, should be maintained.

On *proposed NAMA mechanisms*, Pakistan highlighted the importance of clarity concerning a coordination mechanism to register and facilitate NAMAs and corresponding support. Singapore noted that the list of types of action for the registry is insufficient, and Saudi Arabia pointed out that his country's proposal on a supporting and accrediting mechanism is not reflected adequately.

On *MRV*, Brazil, for the G-77/China, with Saudi Arabia, Venezuela and India, supported deleting the sub-section on national schedules, explaining that it contains ideas not pertinent to sub-paragraph 1(b)(ii) of the BAP. Australia suggested viewing the reference to schedules in conjunction with relevant discussions in the contact groups on overarching mitigation and finance.

Status of the negotiations: Facilitator Mukahanana-Sangarwe said she would prepare non-paper no. 22 after the Bangkok session, which will be made available online. She stressed that parties' comments will be incorporated and no text will be deleted.

Sub-paragraph 1(b)(iii) of the BAP: The sub-group on REDD-plus, facilitated by Tony La Viña (the Philippines), met between 29 September and 8 October.

The initial discussion was based on text forwarded from the informal session in August (FCCC/AWGLCA/2009/INF.2). Facilitator La Viña introduced non-papers no. 11 and no. 18. During the meeting, Canada and Indonesia facilitated work to consolidate text on means of implementation and financing for full implementation. The EU and Gabon facilitated work to consolidate text on MRV.

Discussions focused on: clarifying principles; making the text operational; the three-phased approach; and social, environmental and governance safeguards.

Brazil said text on REDD-plus for Copenhagen should be concise and focus on scope and principles. Ghana, with the US, suggested considering technical issues under the Subsidiary Body for Scientific and Technological Advice (SBSTA) and through future decisions. Brazil, with the US and Norway, highlighted that many of the REDD-plus principles, including financing and MRV, are dealt with in the sub-section on NAMAs. India, Nepal and Thailand highlighted the need to keep REDD-plus separate from NAMAs.

India, with Guyana, Saudi Arabia and China, emphasized the importance of identifying activities and actions that would qualify for REDD-plus before addressing principles. Australia flagged the importance of principles, including effectiveness, efficiency, simplicity, consistency, fairness, complementarity, and respect for national sovereignty. The US, supported by Tuvalu and the EU, suggested identifying elements unique to REDD-plus, with the US highlighting the importance of participatory processes and environmental and social safeguards.

Norway, Papua New Guinea, Cambodia, Guyana and others highlighted the importance of a phased approach. Guyana, with Cambodia, the African Group and Tanzania, underscored the need for sustained and predictable funding. The EU expressed satisfaction with the inclusion of quantified objectives and highlighted the need to address drivers of deforestation. Guyana, Paraguay and Papua New Guinea underscored the need to address permanence and leakage, with Australia noting that environmental safeguards should be worked into the operational language.

Norway, Switzerland and Singapore called for a broadened focus on governance issues without challenging national sovereignty. Brazil, with Thailand, Liberia and Bangladesh, called for a quick and simple establishment of REDD. Brazil, supported by China, Papua New Guinea and Paraguay, highlighted the three-phased approach, and suggested that the text should avoid using terminology that links REDD to the flexibility mechanisms. Brazil said these discussions on mechanisms should be avoided until the full implementation of REDD.

The Philippines said statements on safeguards should be general principles and not mandatory for implementation. On proposed consolidated text on safeguards, Ecuador, Bolivia, the Philippines, India, Mexico and many others highlighted the need for a safeguard on avoiding forest conversion. Peru and Brazil underscored that this does not prohibit sustainable management of forests. The Democratic Republic of Congo, also speaking for Cameroon, Equatorial Guinea and the Republic of the Congo, highlighted the need to undertake the sustainable exploitation

of forests and opposed reference to “avoiding conversion of forests.” India called on parties to use the term “sustainable management of forests” to ensure environmental integrity.

The Philippines, with Bolivia, Venezuela and others, requested retaining reference to the UN Declaration on the Rights of Indigenous Peoples. Ecuador called for language on “respect for traditional knowledge.” Costa Rica, with the Philippines, Papua New Guinea, Sudan and Tanzania, highlighted the need to address sustainable livelihoods. Bolivia, with Malaysia, Indonesia and Colombia, stressed that the text needs to be consistent with national legislation.

The EU, Papua New Guinea and Colombia called for consideration of the relationship of permanence and leakage with operational language. The EU and Norway called for eligibility requirements to be addressed. Thailand, supported by Tuvalu, called for a table to clarify parties’ positions in order to facilitate discussions in Barcelona.

Status of the negotiations: During the last meeting of the subgroup on 8 October, Facilitator La Viña explained that non-paper no. 18 would be forwarded to Barcelona, while clarifying that the paper is not a negotiating text and outlining plans to have two sessions in Barcelona, one focusing on scope and objectives, and the other on operational issues.

Sub-paragraph 1(b)(iv) of the BAP: The sub-group on cooperative sectoral approaches and sector-specific actions was facilitated by Farrukh Khan (Pakistan) and convened in contact group meetings and informal consultations from 29 September to 7 October.

Parties’ initial discussions were based on a reordered text by the Facilitator (FCCC/AWGLCA/2009/INF.2). During the meeting, the sub-group produced non-papers no. 2 and no. 17. Two informal drafting groups also convened on agriculture, facilitated by Uruguay and New Zealand, and on international maritime shipping and aviation (bunker fuels), facilitated by Egypt and Canada.

On whether to consider sectors where emissions can be attributed to a particular country, sectors where emissions cannot be attributed, or both, the EU and Norway supported considering both, while Saudi Arabia stated that sectors that go beyond national borders should not be addressed.

Mexico, Singapore, Canada and the US proposed that the International Maritime Organization (IMO) and International Civil Aviation Organization (ICAO) take the lead in addressing bunker fuels. The EU called for global targets for international aviation and maritime emissions, set by the UNFCCC and implemented through the IMO and ICAO. Norway highlighted her country’s proposal for emissions trading or carbon taxes for bunkers fuels used in international shipping. Federated States of Micronesia, Tuvalu, Venezuela and others underlined that the Convention’s guidance is needed for IMO and ICAO.

Uruguay, supported by Argentina, Mexico and others, highlighted the agriculture sector’s mitigation potential. Argentina and Bangladesh emphasized the importance of food security. Supported by the EU, New Zealand and others, Uruguay proposed that the SBSTA consider the agriculture sector in 2010. On results from the drafting group, Uruguay highlighted a revised text as well as an agreement on a work programme relating to agriculture.

Status of the negotiations: Non-paper no. 17 includes the text from the drafting groups on agriculture and bunker fuels, as well as additional bunker fuels text representing all parties’ proposals.

Sub-paragraph 1(b)(v) of the BAP: The sub-group on various approaches to enhance the cost-effectiveness of mitigation actions, including markets, was facilitated by Maria del Socorro Flores (Mexico) between 30 September and 8 October.

At the informal session in August, parties had requested the Facilitator to prepare a table comparing proposals for new market mechanisms (FCCC/AWGLCA/2009/INF.2). In Bangkok, the group produced non-papers no. 5, 14, 22 and 30.

Discussions focused on the use of markets as a tool to enhance the cost-effectiveness of mitigation actions, proposals for new mechanisms and the existing flexibility mechanisms under the Protocol.

On the **role of markets**, Venezuela, supported by China, Brazil, Saudi Arabia and several other non-Annex I countries, stressed that sub-paragraph 1(b)(v) of the BAP addresses “various approaches” to enhance mitigation and not only markets. Venezuela identified lack of consensus on the use of market mechanisms to mitigate climate change. Bolivia identified a structural link between climate change and markets, and Bangladesh said it is “ironic” that markets are being proposed as a solution to a problem that they have created. Venezuela, supported by others, argued that the trading of countries’ obligations under the Convention is not consistent with the Convention’s principles and called for principled discussions rather than comments on the proposals for new market mechanisms.

The US said experiences in the past ten years have shown that markets have enabled more cost-effective emission reductions and that the Clean Development Mechanism (CDM) has stimulated clean investment, stressing that the proposals on new market mechanisms could make an important contribution to the Convention’s ultimate objective. New Zealand noted the broad scope of sub-paragraph 1(b)(v) of the BAP. Brazil, for the G-77/China, stressed that the public sector in developed countries should be the main source of financing.

On text related to the **existing flexibility mechanisms** under the Kyoto Protocol, several developing countries highlighted the need to focus on proposals for new mechanisms and opposed links to the discussions under the AWG-KP. Japan, Australia, New Zealand and others supported considering proposed new mechanisms, but also underscored the importance of discussions on the existing mechanisms.

The EU explained that their preferred outcome from Copenhagen would be an integrated instrument that incorporates key elements from the Protocol, including: binding QELROs; robust reporting consistent with Protocol Articles 5, 7 and 8; strong compliance; and the flexibility mechanisms. He stressed the intention to: strengthen the legally-binding framework for all parties; retain the CDM; and integrate new market mechanisms as voluntary tools for developing countries to engage in cost-effective mitigation.

The US noted that it is uncertain “what the configuration of Copenhagen might be regarding the fate of the Kyoto Protocol” and suggested addressing this through language that: “the COP shall take decisions necessary to enable the applicability of the CDM under this agreement.” Algeria noted that countries

wishing to use the CDM could ratify the Protocol. Brazil stressed that for his country, the continuity of the Protocol is one of “the key aspects of the Copenhagen outcome.” Saudi Arabia, with Algeria, China and Oman, opposed “cherry-picking” elements of the Protocol and “killing it.”

On the *proposed new mechanisms*, the Republic of Korea described their proposal for NAMA crediting, noting that any reduction beyond business-as-usual would be eligible. Mexico, with Kuwait, underlined uncertainty over the nature of NAMAs. The EU outlined their proposal for sectoral crediting and trading, noting many areas of convergence with proposals by the Republic of Korea and New Zealand. New Zealand explained their proposal for a NAMA crediting and trading mechanism, highlighting its integrated nature. South Africa said new mechanisms should not be merely offsetting mechanisms and that double counting should be avoided. China, with Grenada, expressed concern that, by calling for ambitious sectoral targets in developing countries, developed countries are stepping away from their obligation to reduce their emissions.

The EU proposed that an agreement address, *inter alia*, principles and objectives of a new mechanism and how to set reference levels, and said rules and modalities can be developed later. Australia noted potential for linkages with REDD and, with Norway, underlined the need to include carbon capture and storage (CCS). Kuwait and Venezuela opposed sectoral approaches reflected in the proposals on sectoral crediting and trading. South Africa requested inclusion of her country’s proposal on the life-cycle of NAMAs, clarifying that it addresses non-market approaches. Venezuela proposed including text that 50% of profits from all new mechanisms should go to adaptation in developing countries.

On other gases, Venezuela, supported by the African Group, suggested eliminating all content that is being discussed under the Montreal Protocol on Substances that Deplete the Ozone Layer or the Kyoto Protocol, such as new gases. The EU and the Marshall Islands expressed interest in discussing hydrofluorocarbons (HFCs).

Status of the negotiations: At the final contact group meeting on 8 October, Facilitator Flores noted that non-paper no. 30 would be issued, and that the new non-paper together the revised negotiating text (FCCC/AWGLCA/2009/INF.1) and the reordered and consolidated negotiating text (FCCC/AWGLCA/2009/INF.2) would be the basis for discussions in Barcelona.

Sub-paragraph 1(b)(vi) of the BAP: The sub-group on response measures was facilitated by Richard Muyungi (Tanzania) and convened in contact and drafting groups from 30 September to 9 October.

The sub-group began its work based on a reordered and consolidated negotiating text (FCCC/AWGLCA/2009/INF.2). During the first contact group meeting, Facilitator Muyungi proposed, and parties agreed, that a smaller drafting group would meet to further consolidate the text. On 5 October, Facilitator Muyungi introduced a new non-paper. After further discussion, revised non-paper no. 32 was issued on 9 October to serve as the basis of continued work in Barcelona.

Substantive discussions on response measures focused on: the need to take into account associated vulnerabilities, and related information exchange/understanding; commitments and capacities; financial and technological support; and institutional arrangements.

Argentina, for the G-77/China, highlighted the issue’s importance for the Group and noted it should be part of a future agreement, reflecting the Convention’s principles and provisions. She stressed that certain ideas must be clear in the text, including that developed countries must: minimize the consequences of response measures; cooperate in advancing further understanding of the consequences of response measures; exchange information; and take effective action to reduce negative consequences. She also emphasized the importance of a strong institutional arrangement.

The US, with Canada, Australia and Japan, indicated that work on response measures should not hamper effective mitigation efforts. With Japan, Canada and the Russian Federation, she supported deletion of text that relates to establishment of a permanent forum under the Subsidiary Body on Implementation (SBI). Deletion was opposed by the G-77/China, Saudi Arabia, Kuwait, Venezuela and Oman.

Sierra Leone, for the African Group, emphasized retaining reference to the particular circumstances of the LDCs and Africa. Saudi Arabia, supported by Kuwait, Oman, Brazil, China, India and Algeria, stressed that all developing countries are affected by negative consequences of response measures and that efforts to “sub-divide” developing countries are inconsistent with the Convention. The LDCs, with Saint Vincent and the Grenadines, for AOSIS, the African Group and Bangladesh, emphasized that the special circumstances of African countries and the LDCs are referenced in the Convention and stressed the importance of reflecting this in the text. The EU stated that focus should be placed on those with the least capacity to deal with negative consequences. The US underscored that the per capita gross domestic product of economies benefiting from fossil fuel extraction “is well within the range of developed countries” and that discussions should focus on the most vulnerable. Australia noted that an increasing number of parties take on mitigation actions and identified the need to consider the impact of response measures taken by all parties.

Saudi Arabia, with Venezuela and Brazil, stressed the need to retain text stating, *inter alia*, that developed countries shall not resort to unilateral measures, including countervailing border measures on developing country imports. Brazil proposed adding reference to “tax border adjustments.”

The G-77/China, supported by the African Group and India, emphasized that discussions in Barcelona should focus on two essential issues: minimizing the negative consequences of response measures; and ensuring that policies and measures do not turn into disguised protectionism. Australia stressed that the impact of response measures is the same, regardless of the country from which it originates. India asked for inclusion of “sustainable lifestyles” in the text, referring particularly to developed countries.

Status of the negotiations: Facilitator Muyungi noted that new non-paper no. 32 would serve as the basis for further work in Barcelona.

Adaptation: The contact group on enhanced action on adaptation and its associated means of implementation, co-chaired by William Kojo Agyemang-Bonsu (Ghana) and Thomas Kolly (Switzerland), met from 28 September to 9 October.

Work was initially based on the consolidated text issued prior to AWG-LCA 7 in Bangkok (FCCC/AWGLCA/2009/INF.2). 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. Parties continued discussing streamlining and consolidation during three contact group meetings and additional informal consultations from 29 September to 1 October.

During the contact group on 3 October, Co-Chair Kolly presented new non-paper no. 8 reflecting further streamlining of the negotiating text. Discussions then turned to discussions of objective and scope.

On *implementation of adaptation actions*, South Africa highlighted a proposal for an international programme on implementation of adaptation activities, stressing that it is not a "random" collection of things that could be done, but "a coherent and systematic programme" to address the short-, medium- and long-term impacts of climate change.

On *objectives, scope and guiding principles*, the US, supported by the EU and Australia, noted that the text does not contain actions that all parties can take to address adaptation. The African Group and South Africa suggested reflecting in the preamble that all countries need adaptation actions, but then focusing on developing countries in the main text. The G-77/China and the African Group emphasized the need to reflect binding commitments by developed countries, as well as short-medium- and long-term actions.

The African Group, supported by the LDCs, called for a focus on actions rather than processes. The LDCs said priority should be on implementation rather than pilot activities. AOSIS, supported by Tuvalu, suggested differentiating between enabling activities and implementation. South Africa highlighted the difference between vulnerability based on science and based on institutions. Costa Rica and Indonesia highlighted the role of ecosystem services in adaptation.

The G-77/China emphasized that adaptation actions in developing countries must be supported by developed countries in accordance with their obligations under the Convention.

The LDCs expressed concern that reference to integration of adaptation into development could lead to "too much integration" and detract from the value of stand-alone action. AOSIS, with Bhutan, noted that the objective should be to address the urgent and immediate needs of developing countries, especially SIDS, LDCs and African countries, and called for mechanisms for addressing loss and damage to be captured as part of the scope. The African Group noted the need for consistency on the definition of vulnerable developing countries throughout the text. China cautioned against establishing vulnerability criteria based on national circumstances, respective financial and technical capabilities, levels of risk and impacts, as well as levels of poverty.

The EU underscored that the focus should be on the most vulnerable developing countries and opposed references to impacts of response measures and historical emissions. Saudi Arabia called for retaining language on impacts of response measures.

Australia and Canada called for a catalytic and facilitative role for the UNFCCC. Brazil noted the need to include the principle of participation and stressed that integration of adaptation into development is controversial.

China drew attention to different interpretations of "country-driven." Canada said country-driven adaptation efforts speak to the importance of national governments in identifying and communicating their priorities as well as implementing actions.

South Africa said the objectives should reflect, *inter alia*, the need to reduce vulnerability and build resilience, as well as identify linkages and coherence with actions taking place at the international level. The US and Norway highlighted integrating adaptation into national planning and policies as a critical element. Norway highlighted subsidiarity as key to adaptation processes, where adaptation actions are based on, and respond to, needs at the lowest and local levels.

The Russian Federation supported reference to economies in transition in the text. The US supported establishing hubs of climate experts providing information and tools at the international level and a corps of climate specialists working in countries to accelerate the diffusion of technology.

Timor-Leste, with Malawi, stressed that funding should be grant- rather than loan-based. Indonesia underscored the need for a compliance mechanism. India called for a 2% levy on all capital transfers in developed countries to support adaptation in developing countries. Uganda, with Malawi, noted the need for improved access to funding for the LDCs. Malawi and the LDCs opposed co-financing. The LDCs stressed that financial flows should be scaled up to 1.5% of the GDP of developed countries and that 70% of adaptation funds should be earmarked for LDCs, SIDS and African countries.

On *risk reduction*, AOSIS noted, *inter alia*, that risk reduction and management should: have a special window in the financial mechanism; address both extreme and slow-onset events; and include both risk reduction and insurance components. The G-77/China called for inclusion of migration, displacement, and planned relocation. Colombia said that 30% of adaptation funding should be dedicated to disaster reduction and preparedness.

Status of the negotiations: Co-Chair Agyemang-Bonsu reported that new non-paper no. 31 incorporating inputs from parties and outlining options would be prepared and made available online for use in Barcelona.

Finance: The contact group on enhanced action on the provision of financial resources and investment was chaired by Vice-Chair Machado and convened in contact groups and informal sessions from 28 September to 9 October. Discussions focused on: institutional arrangements, generation and provision of finance, and compliance and MRV.

At the informal AWG-LCA meeting in August, parties had agreed that AWG-LCA Vice-Chair Machado would capture input from parties in a revised table and paragraphs would be restructured to help improve readability. A table explaining how the paragraphs in FCCC/AWGLCA/2009/INF.1 had

been reordered into alternatives, as presented in FCCC/AWGLCA/2009/INF.2, is contained in FCCC/AWGLCA/2009/INF.2/Add.1. From 5-9 October, parties considered non-paper no. 13 reflecting further streamlining of the finance section in the AWG-LCA's negotiating text. In addition to the previous sections, the new paper also includes annexes where parties' proposals for institutional arrangements had been reflected.

On *the generation and provision of financial resources*, parties generally acknowledged the need to substantially scale up financing. No consensus was reached on: whether public or private funds should be the main source of funding; whether developing countries should make contributions; ODA in the context of financing for climate change; and the Global Environment Facility (GEF) as the operating entity of the financial mechanism.

On *scale*, developing countries called for financing to be new, additional, adequate, predictable and above ODA. They also opposed developing countries contributing to financing. Developed countries advocated contributions from all countries except LDCs.

In the context of private sector funding, India and China drew attention to double counting arising from emission reductions achieved through offset mechanisms. Canada said the public versus private sector funding debate was leading to a "false argument" by suggesting that one is more important than the other. Emphasizing that the public sector should be the main source of finance, Bangladesh said that global markets had failed to deliver and "no place for LDCs and SIDS" had been created. The EU emphasized the importance of the private sector and the carbon markets, while acknowledging the role of public international finance.

Saudi Arabia said the proposed maritime and aviation emission levies would negatively impact developing country economic sectors. Switzerland highlighted his country's proposal for a uniform global levy of US\$2 per tonne of CO₂, except on the LDCs. Colombia proposed generating funds from the auctioning of assigned amount units (AAUs) and from an 8% levy on emissions trading and joint implementation. The US said their domestic system limits consideration of levies and taxes. The Russian Federation said countries with economies in transition should be eligible to receive funds under certain conditions.

Uganda, for the LDCs, highlighted that developed countries' responsibility under international law to redress damage caused by climate change formed the basis for public funding from those countries. The G-77/China said that developed countries were denying their historical responsibility and their corresponding commitment to provide financial resources and transfer technology. She also said that funding pledged outside the Convention did not fulfill developed countries' commitments under the Convention. China said estimates of how much finance the private sector and markets could generate had been exaggerated.

Norway highlighted the difficulty of "selling financing" to donors and said a better perception of good governance and improved cost analyses for adaptation in developing countries would simplify this task. Antigua and Barbuda, for AOSIS, expressed concern that many of the proposals appeared to be donor/recipient arrangements. The G-77/China expressed concern

that ODA would be diverted to climate change-related activities at the expense of other development activities. India stressed that ODA financing is discretionary while climate-change finance should be assessed based on clear acknowledgement of historical responsibility.

Highlighting the need to significantly scale up financial resources, Japan cautioned against excluding ODA. Canada described the term "ODA" as a technical accounting concept. New Zealand called for "maximizing resources and not shutting them down," and supported the generation of funds through bilateral, regional and other multilateral channels.

AOSIS called for the GEF to be strengthened and for a strong replenishment. She highlighted the window of opportunity to reform the GEF during the discussions on the fifth replenishment. Switzerland requested all countries to engage in the GEF replenishment discussions.

On *institutional arrangements*, developing countries generally supported a new financial mechanism under the authority and guidance of the COP, with balanced geographical representation and direct access to funds, while developed countries called for the use of existing institutions. Mexico clarified that their proposal for a green fund would provide a net flow of resources from developed to developing countries and that contributions by developed countries would be mandatory, while contributions by developing countries would be voluntary. The G-77/China, Pakistan, the African Group, Saudi Arabia, China and India expressed reservations with the Mexican proposal.

The G-77/China indicated that the proposed multilateral climate fund would provide resources for both mitigation and adaptation, and stressed the need for direct access to funds by developing countries. Barbados, for AOSIS, proposed the establishment of an adaptation fund also under the Convention.

The US highlighted their proposal for a global fund for climate. He said the new arrangements envisaged the continuation of the GEF as an operating entity of the financial mechanism. He explained that specific issues, such as priorities and eligibility criteria, would be determined by the COP, and that the fund would be consistent with Convention Article 11 (financial mechanism). The US elaborated that governance arrangements for the new fund would be structured to give a balanced representation of net contributors and net recipients, and indicated that all parties, except the LDCs, would contribute to the fund in line with capabilities but that contributions would not be mandatory. He also noted the need for simplified access procedures and highlighted that the proposal envisaged the use of a range of instruments. Observing that the Convention "serves as a floor and not a ceiling," he said that it did not prohibit any country from making voluntary contributions.

Australia introduced their proposal for the post-2012 financial architecture, comprising a facilitative platform operated by the UNFCCC Secretariat, which would link funding to different actions and enable contributors and recipients to navigate new funding arrangements. She clarified that their proposal was not a fund and does not address the scale of financial resources, but is still compatible with other proposals. The G-77/China said the US proposal does not address the problems with the current financial mechanism. On Australia's proposal, she questioned its relevance to the discussions under the AWG-LCA since reference

had been made to “the post-2012” financial architecture. Responding to the US proposal, Tanzania suggested using the structure in place under the Protocol’s Adaptation Fund to address issues of governance and access. Bangladesh described the US proposal as a “better packaging” of the proposal by Mexico for a green fund.

Argentina described their proposal for the establishment of an adaptation fund and a mitigation fund under the Convention to be managed by two executive bodies accountable to the COP. He said the executive bodies would be supported by technical panels. Barbados, for AOSIS, said their proposal for a multi-window mechanism to address loss and damage from climate change impacts is coherent with the Protocol’s Adaptation Fund and would fund additional elements, such as addressing loss and damage, and insurance.

The LDCs expressed preference for a single fund with specific windows for mitigation, adaptation, technology and capacity building. Canada drew attention to a conflict between country-driven processes and the position of some parties, which precludes funding provided outside the Convention from counting towards the fulfillment of developed country commitments under the Convention. Colombia proposed that a multi-window financial mechanism should include a funding window for REDD activities. Indonesia said his country has no objection to using existing institutions if they are reformed and, with Bangladesh, preferred the establishment of a flexible and efficient single fund with multiple windows.

After informal consultations on institutional arrangements, parties agreed to consolidate ten proposals into four. Chair Machado said these would be captured in the new non-paper, which would be considered in Barcelona.

The US proposed a new section relating to matching action with support, whereby parties would establish an entity to provide technical assistance in identifying needs and financial resources.

On **compliance**, Uganda proposed a two-stage compliance regime, comprising a “naming and shaming” mechanism listing defaulters as an initial step and the imposition of penalties as a further step. The EU said compliance “means more than just penalties” and that it encompasses facilitating better implementation of parties’ commitments. The G-77/China cautioned against confusing compliance with MRV and highlighted the difficulty of ascertaining from developed countries’ national communication the extent to which they are complying with their financing commitments. New Zealand, supported by the US, preferred MRV as a heading for the section, observing that compliance is a cross-cutting issue. She called for a reference to “mutual accountability” in the text. Australia highlighted the role that their proposal for a facilitative platform could play in addressing the core issues of MRV and finance. The Russian Federation highlighted the need for an accountability mechanism to track the use of funds.

During the closing plenary, Vice-Chair Machado reported that parties recognized the need to scale up new, additional and predictable resources with increased financial resources needed for adaptation. He highlighted a common understanding that public and private sources of funding are needed but noted that no common view prevailed on the main source. He said there was convergence on need for a transparent institutional structure

accountable to the COP, with either one or multiple funding windows. He said that parties had identified that institutional arrangements should be responsive to developing country needs and some kind of mechanism would be needed to coordinate and provide coherence among institutions and parties agreed to consolidate existing options for institutional arrangements in four main options around common elements.

Status of negotiations: New non-paper no. 34 on finance will be issued and made available online for consideration in Barcelona.

Technology: The contact group on technology was co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Kunihiro Shimada (Japan), and convened from 28 September to 9 October. Discussions focused on how to structure the section including which issues to prioritize, institutional arrangements and intellectual property rights (IPRs). Parties started considering this issue based on the results of their work at the informal session in August (FCCC/AWGLCA/2009/INF.2).

During the first contact group meeting on 28 September, Co-Chair Kumarsingh identified “blocks” that could be addressed, including enhanced action on technology, capacity building and enabling environments, cooperative research, development and diffusion (RD&D), technology innovation centers, institutional arrangements and financing technology.

Noting readiness to enter into negotiations, the Philippines, for the G-77/China, called for addressing “crux” issues quickly. The EU identified areas of convergence including RD&D, capacity building, policy frameworks and enabling environments. 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 to, *inter alia*, increase availability, capacity and information exchange related to technology.

Brazil emphasized 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 consideration of developing country proposals.

During a contact group meeting on Friday, 2 October, non-paper no. 4 was introduced. On 9 October, a subsequent longer non-paper no. 29 was introduced, which encompasses inputs from parties in Bangkok.

On the **proposed technology mechanism**, the G-77/China, with Bangladesh, Pakistan and others, underlined that this mechanism should lead to action on technology and go beyond assessments or information exchange. Australia, with Norway, indicated that a technology mechanism is not a single mechanism but a series of mechanisms, and underlined the importance of centers of excellence. Brazil stressed that the focus should also be on future technologies and suggested collaboration among the excellence centers. India emphasized that technology transfer does not refer to commercial transfer but to concessional transfer. Argentina called for a bottom-up, country-driven approach to technology action. Uganda identified the need for a simple institutional architecture, and Canada supported a simple, effective and elastic mechanism.

On *institutional arrangements*, the G-77/China stressed that the Group's proposal, which includes the establishment of a strategic planning committee, technical panels and a multilateral climate technology fund, should be retained in the text. Australia elaborated on their proposal for a technology advisory panel, which would provide advice on technical aspects, policy and financing. The US outlined his country's proposal for establishing a technology hub, which would provide full-time experts available to parties. Argentina called for allowing countries to decide themselves what support they need and, with Uganda, suggested a simple institutional framework. Japan underlined establishing effective networks of stakeholders, matching technology needs and resources, and utilizing existing arrangements as the key principles. China noted that one of the functions should be the provision of financial resources, primarily from the public sector. Brazil elaborated on his suggestion for "twinning" centers of excellence as a form of partnership, noting such cooperation can be North-South, South-South and triangular. The EU said institutions should, *inter alia*, deliver advice, enable planning and serve as an information platform. Canada, supported by Australia, said that the discussion on functions should first focus on the results that parties wish to see in the longer term and then consider how to construct the best possible mechanism for realizing them.

On *IPRs*, Australia called for greater cooperation with relevant organizations such as the World Intellectual Property Organization and, with the US, noted that IPRs incentivize technology development. The G-77/China reiterated that IPRs represent a barrier to technology transfer. Bolivia said strong IPRs increase cost of research and development, and India, with the Philippines, suggested compulsory licensing. Bangladesh called for patented technology to be made freely available to LDCs and SIDS.

During the AWG-LCA closing plenary session, Co-Chair Shimada reported that the contact group on technology discussed the "what" in terms of future actions to be included in an agreement and "how," relating to the implementation of future actions.

Status of the negotiations: Non-paper no. 29 was issued on 9 October and it will form the basis of negotiation in Barcelona.

Capacity Building: This issue was first considered in plenary on 28 September, when parties agreed to establish a contact group on the issue, co-chaired by Fatou Ndeye Gaye (the Gambia) and Georg Børsting (Norway).

The contact group commenced discussions based on consolidated text (FCCC/AWGLCA/2009/INF.2). At the contact group on 1 October, non-paper no. 3 was presented. Subsequently, non-papers no. 10, 21 and 24 were prepared, each incorporating discussions by the parties.

On *principles*, the G-77/China, with Saint Vincent and the Grenadines, proposed adding "learning-by-doing" as a principle, and Colombia noted that principles should be of a general nature. Saudi Arabia, with Saint Vincent and the Grenadines and Brazil, suggested adding a sub-heading on objectives. The US and the EU preferred focusing on operative text and questioned the need for a section on principles.

On *scope*, the G-77/China, supported by the EU, suggested identifying areas that are new to countries, like NAMAs and CCS. Brazil proposed highlighting the enhancement of national

capabilities. Belarus lamented the absence of reference to economies in transition. The US, with Australia and Japan, suggested addressing how discussions on capacity building differ from discussions on support in other AWG-LCA contact groups. Brazil, Tanzania, South Africa, AOSIS, Switzerland and others supported the option stating that capacity building shall be enhanced with regard to the building blocks of the BAP and all aspects of the Convention, as well as emerging needs.

The G-77/China, supported by AOSIS, called for a better reflection of enhancing the Convention's implementation and said that the scope was too prescriptive. He stressed the importance of a preamble, underscoring the need for capacity building as a stand-alone chapter. Australia highlighted overlap with other chapters, said that the principles already exist in the Convention and, with Canada, preferred to integrate capacity building into other chapters. The EU said there is no "one-size-fits-all" solution and that capacity building should be based on national institutions and processes. The G-77/China identified the need for differentiation between the work in the contact group and SBI work before beginning negotiations.

On *implementation of capacity building and associated institutional mechanisms*, Australia, supported by Japan, Canada, the US and the EU, underscored the importance of institutional arrangements and MRV. They stressed the need to return to the text following discussions on institutional mechanisms under the finance contact group. Brazil emphasized that the finance group is addressing "the how" and that this group must address "what" should be accomplished. The G-77/China, with Brazil, called for addressing capacity building in a stand-alone manner and through recognition of the issue under other building blocks.

The EU proposed including reference to capacity building being a joint effort between developed and developing countries. Saudi Arabia proposed including reference to the priorities of developing countries arising from the impact of climate change and the impact of response measures. The EU noted that such language would limit the countries that would receive capacity building assistance.

Status of the negotiations: Non-paper no. 24 will be used to facilitate discussions at the resumed session in Barcelona.

CLOSING PLENARY: On 9 October, the AWG-LCA closing plenary convened. Chair Zammit Cutajar explained that the discussions in the contact groups, mitigation sub-groups and informal consultations had resulted in several non-papers that would be taken to Barcelona. He called on parties to come to the resumed ninth session with a clear mandate from capitals to negotiate an agreed outcome.

AWG-LCA Vice-Chair Machado reported on informal consultations on the organization of work in Barcelona, noting that the AWG-LCA will continue working through contact groups and informal consultations. Chair Zammit Cutajar stressed further work should aim at comprehensiveness, focus, flexibility and balance of concerns and noted that the issue of a legal form had not been addressed at the Bangkok meeting. Following a question by Mauritania, Chair Zammit Cutajar noted that it would not be possible to translate non-papers for the Barcelona meeting due to the lack of time but that documents will be translated for the Copenhagen meeting.

Describing the Protocol as a standard for mitigation by developed countries, Sudan, for the G-77/China, expressed concern with the introduction of options not based on the continued legal existence and effectiveness of the Protocol. Lesotho, for the LDCs, called for concrete figures from developed countries to finance adaptation programmes. Algeria, for the African Group, reiterated that the AWG-LCA track should be separate from the Protocol negotiations. The EU stressed that it is firmly committed to the Protocol and called for its elements to be integrated into a future agreement.

Grenada, for AOSIS, stressed political and generational responsibility to reach an agreement in Copenhagen. Switzerland, for the Environmental Integrity Group, said the AWG-LCA should benefit from maximum flexibility in Barcelona in order to finish its work before Copenhagen.

Costa Rica, also for several Latin American countries, noted the need for a change in attitude in order to reach a balanced, equitable and fair agreement consistent with the principle of common but differentiated responsibilities. Belarus noted her country's suggestions on incorporating concerns of economies in transition into the negotiating text. India said that proposals for a new single instrument diminish commitments of Annex I parties and impose new commitments on developing countries.

The US said the shape of a future deal would entail developed countries continuing to lead by undertaking mid-term, economy-wide reductions and major advanced developing economies undertaking measurable and quantifiable national actions and meaningful mid-term reductions.

China expressed "deep concern" with attempts to destroy the Protocol, reiterated his country's firm commitment to the implementation of the BAP, and highlighted China's domestic policies to address climate change. Japan called for constructing a more comprehensive and durable vehicle to address climate change on the basis of the Protocol.

Togo stressed that climate change is already depriving people of meeting their basic needs and invited parties to think about common interests instead of selfish interests. Tanzania said REDD-plus encompasses a broader agenda for developing countries. In this context he called for, *inter alia*, addressing energy needs of developing countries and addressing illegal and commercial logging undertaken mainly by developed countries. Egypt said the Convention is not meant to be used to perpetuate the economic competitiveness of developed countries.

Timor-Leste called on developed countries to provide financial and technological support towards adaptation needs in the most vulnerable countries. Senegal pointed out that the role of local and sub-national governments should be reflected in an agreement. Highlighting negative impacts of climate change in his country, Nepal noted the slow pace of negotiations and the responsibility of Annex I parties to reduce emissions.

The International Trade Union Confederation highlighted the role of trade unions as a source of information, support and transformation. The Third World Network expressed "outrage" at attempts of developed countries to abandon the Protocol and replace it with an agreement based on bottom-up approaches to emission reductions. Local Government and Municipal Authorities underlined that all levels of governance should be mentioned in the Copenhagen outcome.

Chair Zammit Cutajar reflected on parties' closing statements, noting that strengthening the Convention's implementation entails consideration of form, substance and political commitments. He expressed appreciation to Thailand, the Secretariat and delegates and suspended the first part of AWG-LCA 7 at 7:03 pm.

AD HOC WORKING GROUP ON FURTHER COMMITMENTS FOR ANNEX I PARTIES

AWG-KP 7 opened on Monday, 28 September, with John Ashe (Antigua and Barbuda) continuing as the Chair and Harald Dovland (Norway) as the Vice-Chair and Miroslav Spasojevic (Serbia) as the rapporteur.

Chair Ashe highlighted 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).

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. He emphasized that agreement in Copenhagen will not be possible without leadership from Annex I countries. Belize, for AOSIS, highlighted the need to limit 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. Algeria, for the African Group, 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. Sweden, for the EU, urged parties to increase their emission reduction commitments and identified the need for coordination with the AWG-LCA and for continuing discussions on enhancement of carbon markets and LULUCF rules. The EU emphasized the need for consistency between the AWGs and expressed preference for one comprehensive agreement from the processes. 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.

FURTHER COMMITMENTS BY ANNEX I PARTIES

UNDER THE PROTOCOL: Discussions under this agenda item covered the following issues: Annex I emission reductions, potential consequences of response measures, and other issues listed in the AWG-KP's work programme (FCCC/KP/AWG/2008/8), namely the flexibility mechanisms, LULUCF and basket of methodological issues.

The agenda item was first taken up by the AWG-KP plenary on 28 September. Chair Ashe 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/Rev.1);
- other proposed amendments to the Protocol (FCCC/KP/AWG/2009/10/Add.2/Rev.1);

- 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/Rev.1); and
- a compilation of proposals by parties for aggregate and individual figures for Annex I parties (FCCC/KP/AWG/2009/10/Add.4/Rev.1).

Parties agreed to establish contact groups on:

- Annex I emission reductions, co-chaired by Gertraud Wollansky (Austria) and Leon Charles (Grenada);
- other issues, chaired by Vice-Chair Dovland;
- response measures, co-chaired by Mama Konaté (Mali) and Andrew Ure (Australia); and
- legal matters, co-chaired by Sandea de Wet (South Africa) and Gerhard Loibl (Austria).

Parties agreed that the 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 first part of AWG-KP 9 did not adopt conclusions but the work done at the Bangkok session is reflected in non-papers and revised documentation issued before Barcelona. The non-papers are available online at the Secretariat's website: http://unfccc.int/meetings/ad_hoc_working_groups/kp/items/4920.php.

Discussions by the AWG-KP contact groups on Annex I emission reductions, other issues and response measures are summarized below.

Annex I Emission Reductions: This issue (FCCC/KP/AWG/2009/10/Add.1/Rev.1 and FCCC/KP/AWG/2009/10/Add.4/Rev.1) covers Annex I parties' aggregate and individual emission reductions in the post-2012 period when the first commitment period under the Protocol ends. It was considered through contact groups and informal consultations from 28 September to 9 October.

At the first meeting of the contact group, Co-Chair Wollansky identified Annex I parties' aggregate emission reductions and individual contributions as the most prominent issue for discussion at this session.

Japan outlined the new government's climate policy objectives, including a mid-term emission reduction goal of 25% from 1990 levels by 2020. 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 would not suffice. He added that Japan had 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. China, Kuwait and India emphasized that discussions should be based on historical responsibility and the principle of common but differentiated responsibilities.

Australia, New Zealand and the EU, opposed by the Gambia, Ethiopia, for the LDCs, Thailand and other developing countries, called for coordination between the AWGs on levels of ambition and comparability of efforts. Japan, Canada and Norway called for joint informal discussions, highlighting the need to engage

with the US, while Brazil and India said that delegations have members in both AWGs and can coordinate positions without having joint sessions.

The EU said efforts by countries that are not parties to the Protocol affect the level of Annex I aggregate emission reductions. 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 simpler, *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.

The EU also gave a presentation addressing overachievement in the first commitment period, stressing that the EU may have a substantial surplus of AAUs. He highlighted that the treatment of surplus AAUs in the second commitment period would impact the scale of emission reductions that countries must achieve. New Zealand noted that a commitment to ambitious emission reductions requires changes to LULUCF rules and effective carbon market mechanisms.

South Africa recommended using science as the basis for determining Annex I countries' aggregate level of ambition, suggested a 40% reduction from 1990 levels by 2020 as the aggregate target and proposed addressing issues of feasibility, practicality and allocation of individual targets. Venezuela warned against using a lack of developing country targets as an excuse by developed countries for not committing to ambitious targets. Bolivia called for a focus on a top-down approach and questioned how much atmospheric space remains for developing countries.

The Federated States of Micronesia agreed that the AWG-KP should move forward independently of the AWG-LCA, and proposed using either the public announcements by the US or other numbers, such as a 25% or 45% reduction, as an assumption for defining the Annex I aggregate range. Japan emphasized that there was no guarantee that the US would agree to the assumed level, warning this would undermine the political durability of the process. He also noted that the 45% aggregate target did not consider action by non-Annex I parties, which he said is important to understanding the "total picture."

On **comparability**, New Zealand highlighted her country's unique characteristics resulting in high marginal abatement costs. Canada stressed that comparability should take into consideration the full range of contributions including investment in RD&D and support for REDD-readiness in developing countries. Parties then discussed whether they should base comparability on factors, including marginal abatement cost determined by their own national circumstances or based on some metric such as cumulative historical responsibility.

Australia supported using a single legally-binding **base year** with multiple reference years. Canada stressed that their pledge used 2006 as the base year. He recommended using a table with base years as defined by individual countries in their pledges, as well as columns comparing 1990 and other common base years. Several developed and developing countries called for retaining 1990 as the base year for the sake of simplicity, comparability and transparency. The EU expressed concern that using multiple

base years would require a Protocol amendment, as several provisions, including Protocol Articles 3.5 and 3.7, refer to “1990” rather than to “base year.” Australia noted that multiple base years present challenges in the calculation of AAUs. Japan stressed that while their new pledge is relative to a 1990 base year, there should be flexibility to choose other base years to facilitate the participation of the broadest number of countries.

On the *length and number of future commitment periods*, Colombia highlighted the benefits of a mid-term review of commitments, and South Africa stressed that such reviews should only lead to stronger commitments. Australia and Iceland questioned the implications of mid-term reviews on legal commitments and the impact on emissions trading systems. South Africa suggested that a mid-term review would act as an “early warning system.” New Zealand said that science would give a picture of the global state of action required. She also noted that the value of compliance information obtained through the review would be limited given that parties may use the flexibility mechanisms, and, with Brazil, highlighted the two-year lag on emissions data due to the reporting schedule.

On the *implications of the flexibility mechanisms on Annex I parties’ targets*, China called for focusing on targets and the percentage of emission reductions that Annex I countries would be allowed to achieve through offsetting, saying a discussion of the detailed rules was premature. South Africa emphasized that the use of offsets is a “zero-sum game” and suggested: first setting Annex I parties’ targets for domestic emission reductions and then adding a percentage that could be achieved through offsetting; or setting aside a proportion of AAUs for the mechanisms. He also noted that achieving 50% of targets through offsets “is way beyond supplementarity.”

Supported by Switzerland and others, the EU stressed that it is not possible for Annex I countries to set targets without first knowing the rules. The EU emphasized the importance of a “robust” carbon price for investment decisions and the role of the EU Emissions Trading Scheme in achieving this during the first commitment period. On supplementarity, he identified “a strong wish” to limit the CDM, noting a cap on CDM credits in the EU’s post-2012 climate and energy package.

Tuvalu and India noted that sectoral crediting mechanisms “will flood the markets” and urged considering their environmental implications. China identified the need to define the concept of supplementarity to avoid “mainstreaming” offsetting, specifying that the figure can be further discussed but that it should be below 50%. Brazil proposed a cap on offsetting, which he said should be well below 49%. He noted that increasing the scale of markets through, for example, sectoral crediting, would negatively impact the carbon price by increasing supply without increasing demand. Australia supported retaining the CDM and noted the possibility of additional new mechanisms such as REDD and sectoral mechanisms.

China, with India and others, stressed the importance of deep emission reductions by Annex I parties in the second commitment period for “a strong and robust carbon price.” Senegal highlighted that the carbon market should function as an incentive for investment. India proposed that caps on the use of offsets could be scaled according to Annex I countries’ circumstances, such as historical responsibility or sustainable lifestyles. Several Annex I parties identified the need for

flexibility and cost-effective emission reductions. Switzerland, Japan, Canada and others stressed that quantifying the concept of “supplementarity” is not necessary. Norway, the Russian Federation, New Zealand and others noted that where emission reductions take place is irrelevant for the atmosphere. Canada opposed an international ceiling on the use of credits, stressing it as a domestic policy decision. The Russian Federation said the issue of surplus AAUs is not linked to the discussion of numbers and should only be considered after 2012, when the results of the first commitment period are known.

On the *implications of LULUCF rules for Annex I emission reductions*, Brazil, for the G-77/China, supported by AOSIS and Tuvalu, called for mandatory inclusion of agreed activities to eliminate the “pick and choose nature” of current accounting and promoted a net-net accounting approach. The G-77/China also proposed caps on LULUCF to ensure other sectors are addressed. New Zealand, with Japan and Canada, said that caps would create a disincentive for LULUCF mitigation efforts. Switzerland underscored that environmental integrity is the overarching principle of the LULUCF process. Norway said a net-net approach could be acceptable. The EU highlighted that agreement is needed on national reference levels, discount factors and whether specific activities would remain voluntary or mandatory for reporting. Tuvalu highlighted the need for conformity in reporting for comparability. AOSIS expressed concern that some rules could allow for an increase in industrial emissions. Australia called for the use of a historic baseline and for consistency across sectors. With Canada and others, the G-77/China called for Barcelona to be “the end of the road” for LULUCF accounting discussions.

On updating the compilation of proposals for aggregate and individual figures for Annex I (FCCC/KP/AWG/2009Add.4/Rev.1), Croatia outlined plans to reduce absolute emissions by 33.2 million tonnes of CO₂ equivalent during 2013-2020. She explained that the target amounts to an increase of 6% from their 1990 levels, or a reduction of 5% from the levels agreed in decision 7/CP.12 (level of emissions for the base year of Croatia), and that Croatia would need to invest 1.6% of its GDP to meet this target. Japan said their recently announced new target on reducing emissions by 25% from 1990 levels by 2020 should also be reflected when updating the document. Based on these announcements, the Secretariat, at the final contact group session, introduced a revised version of their informal note, compiling information relating to possible QELROs, as submitted by parties. South Africa, the Federated States of Micronesia and Brazil questioned the inclusion in the note of a target for Croatia of 5% emission reductions from 1990 levels, noting that Croatia announced a 6% increase from 1990 levels.

In closing the contact group session, Co-Chair Charles encouraged parties to come to Barcelona with a readiness to make decisions, stressing that the period for just “understanding one another’s position” had gone on for long enough, and that definite progress must be made in Barcelona. He also underlined a need to find “creative ways” to resolve the impasse on numbers, and urged parties to come to Barcelona with suggestions on how to combine the top-down scientific approach with the bottom-up pledge approach, noting that several parties, when announcing their pledges, had indicated that they used a combination of these approaches.

Status of the negotiations: Parties agreed to forward non-paper no. 2 on proposed amendments to the Protocol pursuant to its Article 3.9 to Barcelona to facilitate discussions at the resumed session, and also recommended the AWG-KP Chair to issue a revision to document FCCC/KP/AWG/2009/10/Add.4/Rev.1.

Other Issues in the AWG-KP's Work Programme:

Discussions under this contact 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." Discussions on the Protocol's flexibility mechanisms and basket of methodological issues were chaired by Vice-Chair Dovland. On LULUCF, parties agreed to continue with the "spin-off" group, facilitated by Bryan Smith (New Zealand) and Marcelo Rocha (Brazil).

Flexibility Mechanisms: Vice-Chair Dovland proposed focusing, *inter alia*, on proposals for improving the efficiency of the flexibility mechanisms, especially the CDM and joint implementation, highlighting that the goal is to try to clean up the text (FCCC/KP/AWG/2009/10/Add.3/Rev.1) and provide clearer options for Copenhagen.

On the development of **standardized, multi-project baselines**, the EU, opposed by several parties, supported establishing benchmarks. Argentina, supported by several others, said standardized baselines and benchmarks should be optional. Other parties expressed preference for making the standardized baselines mandatory and clarified that such baselines would take account of national and regional circumstances and would therefore not constitute a barrier to CDM project development.

On **positive or negative lists of CDM project activities**, Senegal and Ethiopia, for the LDCs, supported retaining this option and highlighted the need to improve access to the CDM. AOSIS, the EU and Norway raised concerns over environmental integrity and opposed proposals that would exempt projects from meeting the requirement of additionality. The EU added that the additionality test has a firm legal basis and that relaxing it would require a Protocol amendment.

Bangladesh urged a focus on proposals that highlight the needs of LDCs and SIDS. China questioned the merit of having a positive list of CDM project activities if projects included in such lists still need to undergo the additionality test. Kuwait opposed negative lists. India and others said they supported only positive lists, while the EU said negative lists could be needed, for instance, to avoid double counting and to clarify that unilateral NAMAs do not qualify under the CDM. India, Brazil and others stressed that NAMAs are separate from the CDM. Saudi Arabia proposed adding clean fossil fuel technology to the positive list of project activities. Japan supported further simplifying the additionality test for small-scale projects rather than exempting additionality. In the non-paper prepared by the Chair, text on this issue was consolidated with text on improving access to CDM projects.

On **improving regional distribution and access to project activities under the CDM**, Senegal, for the African Group, and the LDCs supported a geographically balanced system of quotas. Mexico, Kuwait and others requested more information on this. The EU, Japan, New Zealand and others highlighted that a quota system would be problematic for the market, with the EU noting it would undermine cost-effectiveness. The Philippines said a quota system would be a disincentive for projects in areas with

large potential. AOSIS preferred considering improved access to the CDM by building on elements in the text related to positive lists of project activities and on text on financing validation, verification and certification of projects in certain host parties. Norway, with Switzerland, suggested examining whether exemption from the share of proceeds could be further enhanced. Bangladesh highlighted the high cost of operationalizing CDM projects, including the registration fee and validation by a Designated Operational Entity and called for exemptions for the LDCs.

On **introducing multiplication and discount factors under the CDM**, the EU and Canada expressed an interest in discount factors, and the Republic of Korea and Ethiopia supported multiplication factors. India warned that discount factors are arbitrary. Australia, Brazil, New Zealand, Japan, China, Singapore, India, Saudi Arabia, AOSIS and several others opposed both multiplication and discount factors. Vice-Chair Dovland identified strong support for the option of taking no COP/MOP decision to introduce multiplication or discount factors under the CDM, asking parties whether the text on these options could be deleted. The Republic of Korea and Ethiopia preferred retaining text on multiplication factors, and the EU said discounting should be seen in the wider context of, *inter alia*, benchmarks, and should be retained in the text.

On proposals to **include CCS under the CDM**, Vice-Chair Dovland alluded to previous lengthy discussions on this issue, identifying it as one that might not get resolved before Copenhagen.

On including **nuclear activities under the CDM**, Vice-Chair Dovland also said that the issue would probably need to be resolved at the political level in Copenhagen.

On **extending the share of proceeds to joint implementation and emissions trading**, Vice-Chair Dovland recalled extensive discussions at COP/MOP 4 in the context of the second review of the Protocol under Protocol Article 9 (review). He asked parties whether they had any new views in order to avoid repeating previous discussions. The EU said the issue should be seen in the wider context of finance and, with others, supported postponing discussions. Senegal and others highlighted the importance of the issue.

Status of the negotiations: Vice-Chair Dovland explained to parties that the final non-paper, incorporating all discussions to date, would not be ready before the conclusion of this session, but would be published on the Secretariat's website. He also informed parties that the non-paper would be forwarded to the AWG-KP Chair, who would incorporate it into revised documentation for use at the resumed session of the AWG-KP in Barcelona.

LULUCF: The spin-off group on LULUCF met several times informally throughout the session. Parties considered Annex II of document FCCC/KP/AWG/2009/10/Add.3/Rev.1, on options to address the treatment of LULUCF. The spin-off group heard presentations from parties on LULUCF data submissions and narrowed down options on forest management issues.

In the final contact group session, Facilitator Rocha highlighted progress on issues related to natural disturbances, harvested wood products and wetlands and clarification of LULUCF accounting implications on emission reductions targets.

Status of the negotiations: Parties agreed to forward non-paper no. 2 on options and proposals on how to address definitions, modalities, rules and guidelines for the treatment of LULUCF to the AWG-KP Chair who will decide whether to include it in revised documentation or as a non-paper in Barcelona.

Basket of Methodological Issues: On this issue (FCCC/KP/AWG/2009/10/Add.2), discussions focused on three topics: common metrics to calculate the CO₂ equivalence of emissions by sources and removals by sinks; 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories; and inclusion of new greenhouse gases in Protocol Annex A.

On **common metrics**, parties discussed whether to use global warming potentials (GWPs) provided by the IPCC in the Fourth Assessment Report, leave them unchanged until possible action by the SBSTA on global temperature potentials, or continue using the Protocol's provisions on GWPs. Vice-Chair Dovland suggested the last option as the basis for moving forward. The EU responded that they could move towards compromise if language was added on the implications of adding new greenhouse gases.

On **guidelines**, parties discussed whether to use the IPCC 2006 Guidelines, UNFCCC reporting guidelines as revised by the SBSTA in its work programme, or a hybrid of the two. The EU stressed that the first option provides clarity on what needs to be done, when and by whom. Brazil emphasized that the process in the SBSTA must not be prejudged and that it is necessary to maintain coherent reporting guidelines under the Convention and Protocol. Australia underscored that the second option integrates a strong foundation with the ongoing SBSTA process. She agreed to take the lead on informal consultations with Brazil and the EU, to look for ways to resolve the issue.

On **new greenhouse gases**, parties considered whether enough information was available to include new gases in the Protocol, the form such additions should take, and which gases to include. The Secretariat presented information on GWPs, and on current and likely future uses of the possible new greenhouse gases or classes of gases. Parties discussed: reporting burdens; criteria for determining inclusion of new gases; the adequacy of GWPs as a measure of "what the atmosphere sees"; and which gases or classes of gases might be included. Australia, Japan and Canada highlighted a lack of information on certain gases. Brazil, China, and Senegal opposed amending Annex A to include new gases. The EU proposed considering a process through which new gases could be added by using COP/MOP decisions.

In the final contact group meeting on 9 October, Vice-Chair Dovland reported that on common metrics, a new proposal from New Zealand had been included, the three options on the 2006 IPCC Guidelines had been consolidated into one bracketed option, and the section on new gases remained unchanged. New Zealand clarified that their new option on common metrics takes into account uncertainties involved in using GWPs and calls for clear commitment by the SBSTA to resolve common metrics issues for the third commitment period. The Federated States of Micronesia called for reflection of their proposal on new gases in the text.

Status of the negotiations: Vice-Chair Dovland noted that non-paper no. 1 would be amended to reflect these discussions and would serve the basis for continued work by parties in Barcelona.

Potential Consequences: This issue (FCCC/KP/AWG2009/12) relates to the consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I parties, and was considered in contact groups and informal consultations from 28 September to 7 October.

Discussions in the contact group centered on methods for deepening understanding and a possible system to respond to negative consequences.

South Africa, for the G-77/China, supported by Ethiopia, for the LDCs, and others, emphasized ensuring understanding of the potential consequences of policies and measures on developing country economies, and creating a system to minimize and prevent negative impacts on developing countries. The EU, with Canada, stressed that the Protocol calls for Annex I countries to "strive" to minimize impacts, that the objective was to figure out how best to "strive" through the collection and processing of information, and that such information collection would require efforts by both developed and developing countries. The G-77/China agreed with the need to deepen understanding, but also called for a system to respond to the information flow. The EU underscored that there is no consensus on building a system, that parties had agreed to look at spillover consequences of response measures, and that anything beyond this scope was a "case of too high expectations."

Following general discussions of scope, parties moved to line-by-line negotiations of specific paragraphs on designing policies and measures. Noting a difficulty in resolving issues, Co-Chair Ure proposed, and parties agree to, continuing discussions in an informal drafting group. On 1 October, a contact group convened to consider a non-paper resulting from discussions of the drafting group, and worked paragraph-by-paragraph through the text.

After further informal consultations, a new non-paper was prepared on 8 October. Parties discussed areas of convergence and divergence in order to frame outstanding issues for further work in Barcelona.

China, supported by Saudi Arabia and Argentina and opposed by Canada, introduced text stating, *inter alia*, that "Annex I parties shall not resort to unilateral measures against imports from developing countries." Saudi Arabia stressed that this issue lies at the core of the discussions on potential consequences and that Annex I parties must not be allowed to use environmental protection as pretext to impose tariffs or trade barriers.

Status of the negotiations: Co-Chair Konaté said that the discussions and the revised text would be captured in a document to be used by the AWG-KP Chair to prepare updated documentation for Barcelona.

CLOSING PLENARY: The AWG-KP closing plenary convened early Friday afternoon, 9 October 2009.

Chair John Ashe explained that the AWG-KP would continue with the four contact groups on the basis of the new non-papers at its resumed ninth session in Barcelona. He explained that due to time constraints and the extensive workload, provision would be made for additional evening meetings in Barcelona.

Norway announced plans to increase their emission reduction goal from a reduction of 30% to 40% from 1990 levels by 2020. She specified that this requires an agreement that goes beyond the present framework of the Kyoto Protocol. AOSIS, with Algeria, urged other Annex I parties to follow Norway's lead in making pledges that are closer to what the science requires, and Thailand called for increased levels of ambition.

Sudan, for the G-77/China, supported by Algeria, for the African Group, Grenada, for AOSIS, Lesotho, for the LDCs, and many others, expressed concern at attempts to merge the two negotiating tracks, and at the call for a single legal outcome in Copenhagen. Stressing that calls for an end to the Kyoto Protocol are "completely unacceptable" to the G-77/China, he urged all parties to "build an inclusive, fair and effective international climate change regime with a strong Kyoto Protocol and a strong outcome in the negotiations to ensure enhanced and sustained implementation of the Convention."

The EU emphasized that they support strengthening commitments, accounting, reporting and compliance and reiterated that, while committed to the Kyoto Protocol, this is most efficiently accomplished through integration of the Protocol into a single legal arrangement. Japan noted the need for a full-fledged amendment of the Protocol or a new agreement including major economies, based on common but differentiated responsibilities.

China stressed the negotiations as a two-track process, saying "destroying one track puts the whole vehicle in danger." The Russian Federation called for "modernization" of the Protocol and examination of mechanisms that could be successfully applied in a new agreement.

Senegal highlighted recent natural disasters that occurred in some countries, stressing that climate change affects everyone equally, and Kenya emphasized that the survival of humans must take precedence over economic interests. The Solomon Islands underscored the vulnerability of SIDS and LDCs and called for stabilization of concentrations below 350 ppm.

The International Indigenous Peoples' Forum on Climate Change called for full and effective participation of indigenous peoples in climate action and for respect for traditional practices, also stressing that it is unacceptable to pass the burden of emission reductions onto developing countries and the most vulnerable. The International Trade Union Confederation stressed a fair and just transition to a low-carbon future. Local Governments for Sustainability, on behalf of Local Government Management Association NGOs, said cities and local governments in Annex I countries can support national governments in fulfilling their international binding commitments and called for the new global climate regime to create enabling technical and financial instruments to ensure the utilization of the full potential of cities and local governments in mitigation actions. GenderCC - Women for Climate Justice, on behalf of the Gender NGOs, called for stronger integration of gender dimensions in order, *inter alia*, to enable a more comprehensive analysis of the causes of climate change. Representatives of youth organizations condemned the "perverse idea" that developing countries should or could act first before developed countries.

In closing, Chair Ashe emphasized that "a higher level of ambition remains central to our work" and told delegates he would see them in "three short weeks," urging parties to use the intersessional period to consult with one another so that real progress could be made in Barcelona. He closed the meeting at 2:40 pm.

A BRIEF ANALYSIS OF AWG-LCA 7 AND AWG-KP 9

As the critical fifteenth Conference of the Parties (COP 15) rapidly approaches, efforts are being stepped up to secure an agreement in December in Copenhagen. This was the scenario as delegates arrived in Bangkok for two weeks of climate negotiations under the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) and *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP). These talks took place against a backdrop of several high-level climate-related meetings held in September. One week before the Bangkok meeting, the UN Secretary-General convened a Climate Change Summit in New York, resulting in a clear message from over 100 of the world's leaders that the international community is committed to reaching an agreement in Copenhagen. However, few delegates arriving in Thailand expected major political advances in Bangkok. In fact, many veterans in the process believe that decisive breakthroughs will not happen before the second week of the Copenhagen conference.

Following what many saw as "slow progress" during the informal negotiating session in August, the main expectations from the Bangkok meeting were that the discussions would result in a streamlining of text followed by an entrance into full negotiating mode. However, after the first week of the Bangkok meeting, the AWG-LCA text was still around 200 pages long, and it became evident that the rest of session would have to be used for further consolidation. While the text's size did not appear to be reduced by the end of the two weeks, many highlighted that options had been clarified and the main substantive issues had seen the light of day. Parties also reiterated strong positions on some of the most contentious issues, which was seen as a positive development because it helped illuminate where the parties stand as they head into negotiations in Barcelona. As AWG-LCA Chair Michael Zammit Cutajar indicated: "It is not the length of the document that is important, what is important is that we are addressing the substance."

This brief analysis assesses progress made in the AWG-LCA and AWG-KP at the Bangkok Climate Change Talks, and outlines the prospects for an agreement in Copenhagen.

PUTTING THE AWG-LCA INTO MOTION

In Bangkok, parties demonstrated their commitment to developing distinct, if not concise, options through the proliferation of non-papers that emerged from the many contact groups, sub-groups and informal consultations. While the text was not really consolidated, parties highlighted that "options were narrowed and clarified so that we can bring back choices to our capitals." However, this progress was uneven, with delegates

citing positive movement on the technical details of technology, capacity building and adaptation, and highlighting strongly divergent positions on mitigation and finance.

On mitigation under the AWG-LCA, one of the most problematic and political questions is related to proposals by the US, Australia and the other Umbrella Group countries for a framework on mitigation for all parties. While there are differences in these proposals, there are also some common elements such as mitigation planning, through, for example, low-carbon development strategies and national schedules, and a monitoring, reporting and verification (MRV) framework in the form of enhanced reporting on mitigation by all parties. These proposals received further clarification at the Bangkok meeting and the US outlined in detail for the first time their proposal on a common approach to MRV. While some parts of this proposal are more elaborate than others, the US assured delegates in Bangkok: "We recognize our historical responsibility and, in our proposals, actions by developed and developing countries would still be differentiated."

Developing countries, however, argue that such proposals violate "fundamental" principles of the Convention and the Bali Action Plan by attempting to dilute the distinction between "developed" and "developing" countries. "The problem is not that I do not understand the proposals on common mitigation frameworks – the problem is that I do, and that they are not acceptable," stated one developing country negotiator. This divide over the potential weakening of the firewall between "developing" and "developed" countries remains the paramount issue for developing countries in the AWG-LCA, although negotiations in the six mitigation sub-groups under the AWG-LCA cover a wide range of other controversial issues, including mitigation goals, the role of market mechanisms and sectoral approaches.

The main challenge for negotiations on the framework on mitigation is clear: "we have learned from the Kyoto experience that without developing country participation, US involvement is unlikely, and there will be no agreement in Copenhagen without the US," one veteran assessed. However, many in Bangkok were optimistic that agreement on mitigation in Copenhagen is still within reach. They highlighted "extremely positive" signals coming from key developing countries such as Brazil, China and India, and their ambitious national plans to reduce greenhouse gas emissions as proof. Furthermore, in Bangkok, the International Energy Agency (IEA) presented a special excerpt of the World Energy Outlook 2009 to inform negotiations leading to Copenhagen. The report showed, *inter alia*, that if China implements its currently planned climate and energy policies, these alone would account for 1.9 gigatonnes out of the 3.8 gigatonnes of global emission reductions that, according to the IEA's estimate, will be needed by 2020 to achieve stabilization at 450 ppm. The US and other developed countries seem willing to recognize these efforts but are calling for a more formal framework for measuring and reporting mitigation actions in developing countries.

Finance is another building block that is proving to be particularly challenging and could be a potential "deal breaker" in Copenhagen. While progress was made on organization of

work for addressing finance, there was little movement on substantive matters such as the amount of finance that would be available.

Perhaps more critical at this stage of the negotiations was the distrust and entrenched positions displayed, as well as the perception that developing and developed countries were "talking past" one another. On public versus private funding, for example, developing countries suggested capping the role of private markets. "It was the market that got us into this crisis and now we expect it to solve our problems?" voiced one skeptical delegate. These sentiments raise concerns for those parties who maintain that the private sector will have to play a significant role in the generation of financing. Despite repeatedly calling for the establishment of a new financial mechanism, some parties felt constrained to rely, at least in the short term, on the Global Environment Facility, an entity that elicits deep misgivings among developing countries in part due to a lack of transparency. Developing countries are moreover calling for a paradigm shift, in which financing for climate change is seen as reparation or compensation for loss and damage, based on historical responsibility and therefore obligatory, and not discretionary, in the same vein as ODA. One developing country delegate said in frustration, "we are not begging for aid, we are demanding fulfillment of a legal commitment." Thus despite the consensus on the need to scale up financing for climate change adaptation and mitigation in developing countries, the principles and structure of such a financial architecture remain uncertain.

KEEPING THE KYOTO PROTOCOL ON TRACK?

Concerning the negotiating track under the Kyoto Protocol, most delegates agree that it has been a difficult year due to slow progress on the critical task of defining post-2012 targets. In its work programme, the AWG-KP agreed to adopt conclusions on Annex I parties' aggregate emission reductions in the post-2012 period at AWG-KP 7 in March-April, and on individual contributions to the aggregate range at AWG-KP 8 in June. While the "numbers" have been the key focus of the AWG-KP's discussions throughout the year and many "interesting" and "useful" discussions have taken place on Annex I parties' pledges and the underlying assumptions, little progress has been made towards reaching conclusions on post-2012 targets.

One of the reasons is the position shared by most developed countries that a simple continuation of the Protocol will not be an acceptable outcome in Copenhagen, and what is needed is a comprehensive international agreement involving the US and key developing countries in mitigation efforts. They have thus highlighted the need to coordinate with the discussions taking place in the AWG-LCA process. Developing countries, however, strongly oppose any attempts to coordinate or merge the two negotiating tracks mainly due to a desire not to see the distinction between "developed" and "developing" countries compromised. This is partly motivated by deep concern that such a weakening of this distinction would put developing countries on a track towards mitigation commitments. Developing countries also see the Protocol, with its legally binding and economy-wide quantified commitments, as the benchmark for developed country action, stress developed countries' historical responsibility and continue to urge them to show leadership by undertaking ambitious commitments under the Protocol.

During the AWG-KP's stocktaking plenary on the first Friday, a developing country delegate indicated that developed and developing countries are "stuck in a place where they just can't bridge the gap." Nevertheless, there were some positive developments in Bangkok in terms of new and more ambitious pledges from Annex I parties, including by Japan and Norway. Other positive developments under the AWG-KP relate to aspects of narrowing options for land use, land-use change and forestry accounting rules, demonstrating that although the discussion on the political issues remain stalled, important work can still advance on technical issues.

Yet the larger political undercurrents were increasingly apparent in Bangkok. One trigger was a statement by the EU in the AWG-KP's opening plenary that it prefers a single legal agreement as an outcome from Copenhagen. While some argued that this was not the first time that the EU expressed this position, the announcement launched "fierce" debates on the fate and future of the Protocol. Throughout the meeting, developing countries expressed dismay that instead of trying to breathe new life into it, they were "writing the obituary" for the Kyoto Protocol, and accused the EU and other developed countries of "attempted murder."

The EU, however, was adamant that its intention was not to "kill" the Protocol but to "build on and strengthen it." As one EU delegate explained, "We want to find a home for the key elements of the Kyoto Protocol in a new legal instrument." The essence of such proposals is that the Protocol's legal architecture – legally-binding quantified emission reduction targets for developed countries, reporting under Protocol Articles 5, 7 and 8, the flexibility mechanisms and a compliance regime with sanctions – would be copied into a new comprehensive agreement. Concerns over trust among parties reemerged as the discussion moved to the process by which the "good" parts of the Protocol would be selected. "You cannot pick and choose – such a cherry-picking exercise would be an impossible task," opined a developing country delegate. Developing countries have, therefore, defined maintaining the Kyoto Protocol and keeping the AWG-KP's outcomes separate from an agreement under the AWG-LCA as the basis for any amenable agreement in Copenhagen.

While the divide on the Protocol's future seems wide, many veterans in the process argue that it is not useful or necessary at this stage of the negotiations to spend too much time looking at the legal details: "Substantive issues are key – if we cannot agree on those, there will be no agreement in Copenhagen," explained one veteran negotiator, highlighting that there are three basic options: extend the Kyoto Protocol, replace it with a single new instrument or proceed with COP decisions. However, many feel that the legal form will be clarified only at the end of the process, which could even be after Copenhagen.

PASSING THROUGH BARCELONA ON THE WAY TO COPENHAGEN

At the end of the Bangkok meeting, it seemed that the relationship between the AWG-KP and AWG-LCA would continue to be strained through Barcelona, particularly on issues where their discussions are interconnected. Developed countries want to see the two tracks merged and "major" developing countries take on more active part on mitigation actions. Developing countries, on the other hand, want to keep

the two tracks separate, maintain the existing distinction in the Convention between developed and developing countries, without any sub-categories of developing countries, and ensure that only developed countries have binding mitigation commitments.

On the whole, although the contrasting positions on deep, substantive issues may give the impression of a stalled process, the Bangkok talks made progress on narrowing down options on the technical details of the building blocks of an agreement. Although some wish that difficult issues had been raised earlier in the negotiating process, many recognize the most contentious political issues will likely require bilateral discussions by major emitters and/or high-level meetings before and during Copenhagen in order to be resolved.

A primary goal in Barcelona will be to enter into full negotiating mode under the AWG-LCA early in the week, while under the AWG-KP, parties hope to make progress towards clarifying Annex I targets as well as the rules on the flexibility mechanisms and sinks. Parties certainly recognize the limited time to meet in Barcelona and are attempting to develop different working methods to facilitate progress. These methods may include night meetings, as well as joint contact group meetings by the multiple sub-groups on mitigation under AWG-LCA to start addressing common issues. Nevertheless, it is likely that negotiations in Barcelona will remain focused on working out the technical details and refining the specific options on the table but will still not result in a clear picture of any Copenhagen outcome.

There is a general understanding emerging that the outcome in Copenhagen may not deliver a neatly packaged final product. But, at this point, many hope that the agreed outcome will resolve the main political issues, including finance and mitigation, as well as clarify a roadmap for finalizing the remaining details. Still, even this may not be possible without the necessary political will, leadership and compromise.

UPCOMING MEETINGS

SEVENTH WORLD FORUM ON SUSTAINABLE DEVELOPMENT: OUAGADOUGOU 2009: This meeting will convene from 8-13 October 2009, in Ouagadougou, Burkina Faso. The theme for this conference 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: lbtraore@yahoo.fr; internet: http://www.fmdd.fr/english_version.html

13TH WORLD FORESTRY CONGRESS: This meeting will take place from 18-23 October 2009 in Buenos Aires, Argentina. The meeting will focus on "Forests in development: a vital balance." A day will be 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>

HIGH-LEVEL CONFERENCE ON CLIMATE CHANGE: TECHNOLOGY DEVELOPMENT AND TRANSFER: This conference will take place from 22-23 October 2009 in New Delhi, India. It is organized jointly by the Government of India and the UN Department of Economic and

Social Affairs. The conference aims to help formulate a roadmap for technology in the context of climate change mitigation and adaptation to support the UNFCCC process. For more information, contact: Mr. R. R. Rashmi, Joint Secretary, Ministry of Environment & Forests; tel: +91-11-24362281; fax: +91-11-24360768; e-mail: rr.rashmi@nic.in; internet: <http://www.newdelhicctechconference.com/>

IPCC-31: The thirty-first session of the IPCC will take place from 26-29 October 2009 in Bali, Indonesia. At the meeting, the IPCC will approve the Working Groups' outlines for the Fifth Assessment Report. For more information, contact: IPCC Secretariat; tel: +41-22-730-8208; fax: +41-22-730-8025; e-mail: ipcc-sec@wmo.int; internet: <http://www.ipcc.ch>

RESUMED AWG-LCA 7 AND AWG-KP 9: The 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/>

TWENTY-FIRST MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL (MOP-21): MOP-21 is scheduled to be held from 4-8 November 2009 in Port Ghalib, Egypt. Parties will, *inter alia*, consider proposed amendments to the Protocol to regulate and phase-down HFCs with a high global warming potential, and to promote the destruction of banks of ozone-depleting substances. For more information, contact: Ozone Secretariat; tel: +254-20-762-3851; fax: +254-20-762-4691; e-mail: ozoneinfo@unep.org; internet: <http://ozone.unep.org/>

GEF COUNCIL MEETING: This meeting will take place from 10-13 November 2009, in Washington, DC, US. The Global Environment Facility (GEF) Council Meeting will develop, adopt and evaluate GEF programmes. For more information contact: GEF Secretariat; tel: +1-202-473-0508; fax: +1-202-522-3240/3245; e-mail: secretariat@thegef.org; internet: <http://www.thegef.org/>

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: 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

SECOND WORKSHOP ON ENERGY EFFICIENCY IN HOUSING: This workshop will take place from 23-25 November 2009 in Vienna, Austria. Results of the workshop and the related measures presented will feed into and contribute to the development of the Action Plan for Energy Efficient Housing, to be developed under the UN Economic Commission for Europe. For more information, contact: Paola Deda, Secretary

to the Committee on Housing and Land Management, UNECE; tel: +41-22-917-2553, fax: +41-22-917-0107, e-mail: paola.deda@unece.org; internet: <http://www.energy-housing.net>

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 COP 13 in Bali in December 2007, COP 15 and COP/MOP 5 are expected to finalize an agreement on enhancing international climate change cooperation, including in the post-2012 period when the first commitment period under the Kyoto Protocol expires. 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

AAU	Assigned Amount Unit
AOSIS	Alliance of Small Island States
AWG-LCA	<i>Ad Hoc</i> Working Group on Long-term Cooperative Action under the Convention
AWG-KP	<i>Ad Hoc</i> Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol
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
GEF	Global Environment Facility
GWPs	Global warming potentials
ICAO	International Civil Aviation Organization
IMO	International Maritime Organization
IPCC	Intergovernmental Panel on Climate Change
IPRs	Intellectual property rights
LDCs	Least developed countries
LULUCF	Land use, land-use change and forestry
MRV	Monitoring, reporting and verification
NAMAs	Nationally appropriate mitigation actions
QELROs	Quantified emission limitation and reduction objectives
RD&D	Research, development and diffusion
REDD	Reducing deforestation and forest degradation in developing countries
REDD-plus	Reducing deforestation and forest degradation in developing countries, plus conservation
SIDS	Small island developing states
SBI	Subsidiary Body on Implementation
SBSTA	Subsidiary Body on Scientific and Technological Advice
UNFCCC	United Nations Framework Convention on Climate Change