

AWG-LCA 7 AND AWG-KP 9 HIGHLIGHTS: THURSDAY, 5 NOVEMBER 2009

Throughout the day, informal consultations took place under the AWG-LCA on issues including a shared vision for long-term cooperative action, adaptation, mitigation, finance, technology and capacity building. Under the AWG-KP, contact groups and informal consultations convened on Annex I emission reductions, other issues and potential consequences.

AWG-LCA

SHARED VISION: In the morning informal consultations on a shared vision, parties concentrated on the preamble of non-paper No. 33. A new non-paper, No. 38, revising sections on a long-term global goal for emission reductions and review of a shared vision was issued in the afternoon.

ADAPTATION: In the afternoon informal consultations on adaptation, parties considered a new non-paper, No. 41, and exchanged initial views on the revised text.

MITIGATION: In the morning informal consultations on mitigation, parties considered an informal paper on interdependencies and cross-cutting issues between the mitigation sub-paragraphs of the BAP. Parties also heard reports on progress under the six mitigation sub-groups.

MITIGATION (sub-paragraph 1(b)(i) of the BAP): The morning informal consultations on mitigation by developed countries focused on compliance and MRV. A revision of non-paper No. 25 was issued in the afternoon, and parties exchanged their initial impressions of the text.

MITIGATION (sub-paragraph 1(b)(ii) of the BAP): Parties convened informal consultations on mitigation by developing countries in the afternoon and focused on the nature and role of plans and strategies, and on MRV.

MITIGATION (sub-paragraph 1(b)(iii) of the BAP): In the informal meeting on REDD+, parties considered a new non-paper, No. 39, that includes revised text on means of implementation and MRV. Parties discussed issues, including safeguards, MRV and a phased approach. Many parties said the text could be used as the basis for negotiations in Copenhagen.

MITIGATION (sub-paragraph 1(b)(iv) of the BAP): During informal consultations on sectoral approaches, parties discussed text on cooperative sectoral approaches and sector-specific actions, including agriculture and bunker fuels. On bunker fuels, parties presented new options, considered deletion of others, and discussed whether a chapeau was needed.

MITIGATION (sub-paragraph 1(b)(v) of the BAP): During informal consultations, parties completed their discussion of market-based-approaches. They then discussed non-market-

based approaches, focusing on two questions: how the proposals for new non-market-based approaches relate to other AWG-LCA discussions and texts; and what are the essential characteristics that should be reflected in new non-market-based approaches for agreement in Copenhagen. A new non-paper will be prepared for Friday.

MITIGATION (sub-paragraph 1(b)(vi) of the BAP): During informal consultations on response measures, parties considered text on context and institutional arrangements. Some parties expressed interest in the creation of a forum to serve as a platform for discussion by parties on potential consequences. Others suggested that existing institutions may be adapted to meet this need, highlighting a work programme under the Subsidiary Body for Implementation. Some parties noted progress in discussion of how to operationalize the text.

TECHNOLOGY: Informal consultations on technology took place in the morning and afternoon. Parties continued to make textual proposals relating to the revised non-paper No. 36 and will submit proposals to be compiled into a new non-paper.

FINANCE: Informal consultations on finance took place in the morning and afternoon. In the morning, parties proposed text relating to: strengthening or operationalizing the financial mechanism; the establishment of funds; the operating entity of the financial mechanism; and the governance structure of the operating entity. Parties also proposed textual formulations that consolidate options on a facilitative platform and matching function. In the afternoon, discussions focused on reordered text on options for the generation of funds.

CAPACITY BUILDING: Parties considered a new non-paper, No. 40. Another new non-paper will be prepared for Friday, containing streamlined text and options.

AWG-KP

ANNEX I EMISSION REDUCTIONS: During morning informal consultations, discussions continued on Annex I parties' pledges. Some developing countries requested that the Secretariat compile this information and include in the compilation Annex I parties' pledges, as well as the proportion of emission reductions that would be achieved using offsets and LULUCF. Many Annex I parties agreed that they would provide this information to the Secretariat for compilation.

During the afternoon contact group, Co-Chair Charles invited parties to first focus discussions on the base year, and the length and number of commitment periods.

On the base year, AUSTRALIA proposed having a package comprising 1990 as the base year together with other years as reference points. JAPAN expressed preference for expressing QELROs as absolute emission reductions and also

expressing them with reference to different years, including 1990. CANADA proposed using a table with parties' targets expressed in terms of multiple base years. South Africa, for the G-77/CHINA, the Federated States of Micronesia, for AOSIS, BRAZIL, NORWAY and EGYPT supported a single base year of 1990. Parties agreed to establish a small informal group to consider the various proposals.

On the number and length of commitment periods, the G-77/CHINA and AOSIS supported a single commitment period of 5 years, AUSTRALIA supported one commitment period of 5 or 8 years and the EU proposed one commitment period of 8 years. JAPAN and NORWAY expressed preference for a period of 8 years, while noting that this view was not fixed. The RUSSIAN FEDERATION supported a commitment period of 8 years. The Co-Chairs will consult informally with interested parties in Copenhagen on this issue.

Parties then discussed how to increase the level of ambition of Annex I parties' emission reductions. Several parties presented on the basis of their pledges, indicating whether and in what circumstances they could increase their pledges. BELARUS highlighted that the economies of countries in transition to a market economy had "crashed" in the 1990s, causing their emissions to halve and therefore they cannot increase their pledges. JAPAN highlighted the recent increase of its target to a 25% reduction from 1990 levels by 2020 and said it would not be in a position to increase that level of ambition. The EU said they could increase their target from 20% to a 30% reduction from 1990 levels by 2020 if other countries take on comparable targets. ICELAND said access to LULUCF and offsets would be required before he could say with certainty whether their target of 15% below 1990 levels by 2020 could be increased. The Gambia, for the AFRICAN GROUP, underscored the need for data from Annex I countries to better understand the gap between their pledges and science.

The EU highlighted the impact of LULUCF accounting rules and the use of surplus AAUs. The RUSSIAN FEDERATION stressed that there is no relation between the potential AAU surplus from the first commitment period and the level of ambition in the post-2012 period. AUSTRALIA underscored that their contribution will depend on several factors, such as comparable efforts by developed countries and efforts by all UNFCCC parties.

SOUTH AFRICA proposed that once Annex I parties' national mitigation potential has been fully used, the level of ambition could be increased through the flexibility mechanisms. He identified the need to define supplementarity. AOSIS stressed the need to look at the overall ambition "as the atmosphere sees it," and proposed looking at "two packages," namely, increasing domestic efforts where possible and "looking elsewhere" where enhancing domestic efforts is not possible. NEW ZEALAND questioned whether this would increase the level of ambition.

OTHER ISSUES (LULUCF): In morning informal consultations on LULUCF, parties discussed whether there was a need to coordinate with the work on the basket of methodological issues. They also considered options on natural disturbances and inter-annual variability; reference to engagement of the IPCC; grazing land management; and language on sectors and activities.

In the afternoon informal consultations, parties considered text on, *inter alia*, harvested wood products and data tables. Some parties highlighted the large number of decisions yet to be made on options in the text.

POTENTIAL CONSEQUENCES: In the contact group on potential consequences, parties discussed text revised by the Co-Chairs. SAUDI ARABIA called for a paragraph in the section on considerations on any further work to reflect negative

consequences on developing countries. The EU supported this and highlighted that it offers the potential to clean up language in other paragraphs. The G-77/CHINA proposed dividing paragraph 14, which addresses a channel for reporting impacts and consequences, into two parts and proposed text on establishing a permanent forum for reporting impact and consequences from policies and measures. The EU opposed breaking up the paragraph, highlighting their desire to address information and what parties will do with information under a single paragraph. Parties developed two options for further considering paragraph 14.

On tools to assist developing countries in assessing and dealing with potential consequences, NEW ZEALAND, supported by the G-77/CHINA, noted that the tools mentioned in the paragraph appeared to be a random selection of available tools. The EU noted the need to expand the range of tools available, and proposed language in this regard. The G-77/CHINA noted his intention to also propose language. The new text was included in option 1 under the paragraph and the second option was deleted. The Chair said the proposed changes will be reflected in revised text.

IN THE CORRIDORS

Thursday, the penultimate day of the Barcelona Climate Change Talks, was again packed with a plethora of informal meetings under the AWG-LCA and contact groups and informal consultations under the AWG-KP. Among the meetings were informal consultations on organization of work under the AWG-LCA. Those emerging from the meeting in the evening explained that the focus had, again, been on how to forward results of the work done in Barcelona to Copenhagen, and how the AWG-LCA should work in Copenhagen. Opinions were reportedly divided as to whether to express the results as a compilation of non-papers annexed to the report of AWG-LCA 7, or whether a new information document should be produced. After the meeting, delegates also reported that parties seemed to generally agree to convene one AWG-LCA contact group in Copenhagen to provide an overview of the work that would be continued under the various informal groups.

Others in the corridors were contemplating the increasingly clear high-level messages that a legally-binding agreement at COP 15 will not be possible. Some observers were visibly disappointed, while others tried to stay positive as they speculated about prospects for a legally-binding instrument sometime in 2010.

In the afternoon, the blackberries of several delegates, especially the US ones, were buzzing with the breaking news that the Boxer-Kerry climate bill had made it through the Senate Environment and Public Works Committee. Some were overheard reflecting on the significance of this piece of news: "This is a positive development - but I remain skeptical that the legislation will be passed before Copenhagen, as the bill will also have to go through some other committees as well as reconciliation in a conference committee to sort out differences between the House and Senate versions," explained one delegate familiar with the US legislative process.

ENB SUMMARY AND ANALYSIS: The Earth Negotiations Bulletin summary and analysis of the Barcelona Climate Change Talks will be available on Monday, 9 November 2009, online at: <http://www.iisd.ca/climate/rccwg7/>