

COPENHAGEN HIGHLIGHTS: SATURDAY, 12 DECEMBER 2009

On Saturday morning, the COP and COP/MOP plenaries convened. In the afternoon and evening, the closing plenaries of the SBI and SBSTA took place. Throughout the day, contact groups and informal consultations convened on a range of issues, including mitigation, finance and technology under the AWG-LCA, Annex I emission reductions and other issues under the AWG-KP, and various topics under the COP/MOP, SBSTA and SBI.

COP PLENARY

PROPOSALS BY PARTIES UNDER CONVENTION

ARTICLE 17 (PROTOCOLS): COP President Hedegaard said consultations had been held on how to proceed on the agenda item on proposals for new protocols under Convention Article 17.

TUVALU underscored that his motives for insisting on proper consideration of this issue are sincere rather than to “seek media attention.” He also commended COP President Hedegaard for her personal commitment to success in Copenhagen. He said it is an “irony of the modern world that we are waiting for some senators in the US Congress to conclude their discussions before we can proceed” and urged President Obama to honor the Nobel Peace Prize and address the “great threat” to security posed by climate change.

TUVALU reiterated the “strong plea” for two legally-binding protocols as the outcome from Copenhagen and insisted that an option to sign a legally-binding agreement in Copenhagen be put to the ministers. COP President Hedegaard said that “no option will be taken off the table.”

ORGANIZATIONAL MATTERS: AWG-LCA Chair

Zammit Cutajar provided an update on the AWG-LCA’s work, saying “tremendous amounts of work” had been done towards a “full and rich” package, and highlighting progress in areas such as technology and REDD-plus. He said he had tabled a text on Friday on the AWG-LCA’s outcome and noted parties’ divergent views on the legal form, including whether to have two legal instruments or one. He said this “highly important” subject goes beyond the scope of one negotiating group and suggested that the COP President “keep an eye on the issue.”

The US commended the Chair’s “heroic work” in incorporating core issues into a concise document and noted progress in many areas, such as technology, forestry and adaptation. He identified, however, the need to clarify how to move forward with “the difficult and core questions” in a way that will have an immediate operational effect, saying ministerial negotiations could bring the necessary sense of urgency to these discussions.

The EU raised concerns over the Chairs’ proposals, including that they: do not bring certainty that temperature increase will be limited to below 2°C; only provide a loose framework for actions by developing countries; and envisage the continuation of the Kyoto Protocol but do not contain legal commitments or a timeframe to conclude a legally-binding agreement under the Convention track. He reiterated that the outcome should build on the Kyoto Protocol, taking forward its key elements. He called for a political agreement that is “precise and comprehensive enough” to be transformed into a legally-binding agreement.

Brazil, for the G-77/CHINA, said the Group was willing to continue working based on the Chair’s text while identifying the need to address certain issues, including enhancing the treatment of adaptation. He said a structure reflecting the continuation of the Kyoto Protocol is of “critical importance” to the G-77/China and “essential” for the outcome in Copenhagen.

Many countries, including SOUTH AFRICA, KUWAIT, NIGERIA, SENEGAL, NAMIBIA, PERU, Mexico, for the ENVIRONMENTAL INTEGRITY GROUP, and others, expressed willingness to use the Chair’s text as the basis of work. SAUDI ARABIA described the text as a “very good” starting point, which has adhered to the UNFCCC and the BAP.

INDIA, SAUDI ARABIA, NIGERIA, VENEZUELA, TAJIKISTAN, ZIMBABWE and others highlighted the need for a transparent and inclusive negotiating process.

INDIA stressed that the Protocol, as one of the “most important” treaties, must be strengthened for the second commitment period. OMAN emphasized that work should continue under two tracks. SOUTH AFRICA supported a two-track legally-binding outcome. VENEZUELA stressed that work on continuing the Protocol should not be “sabotaged.”

AUSTRALIA said they were encouraged by areas of convergence, such as REDD-plus, adaptation and technology and noted “good movement” on finance. She expressed concern over: mitigation; the question of legal architecture; a transparent system to keep track of progress on implementation; and long-term finance. She suggested continuing with the first set of issues in drafting groups while considering the second set of issues in plenary and at the ministerial level.

NORWAY welcomed the Chair’s text, but described the mitigation part as “too loose” in relation to developing country actions and said that there should be a “clear message” on how to reach a legally-binding agreement. NIGERIA noted that issues such as adaptation, finance, technology and capacity building need to be elaborated. JAPAN supported the concept of a “package deal” but expressed concern with prejudging a legal form for the post-2012 framework and lack of balance in the mitigation section. He proposed informal consultations at the ministerial level. The ENVIRONMENTAL INTEGRITY GROUP also suggested starting a process with participation by ministers.

The MARSHALL ISLANDS and SOLOMON ISLANDS drew attention to the AOSIS proposal, emphasizing that its aim is to secure the survival of the Kyoto Protocol and a protocol to enhance the Convention's implementation.

SENEGAL underlined the need to address provision of resources to vulnerable countries and to establish a financial mechanism on adaptation under the Convention. The UNITED ARAB EMIRATES noted that the Chair's text needs further refinement and amendments to become a strong outcome, based on the principle of common but differentiated responsibilities. TAJIKISTAN highlighted the need to develop a comprehensive framework on adaptation and technology transfer.

EGYPT noted its concern with an uneven distribution of work between the two negotiating tracks which "may lead to uneven progress," and BURUNDI urged the AWG-KP to match its progress with the AWG-LCA. SAUDI ARABIA and others highlighted time constraints in reaching an agreement. CANADA said that the document represents a step forward but considerable work remains on mitigation. He stressed that mitigation commitments and actions must be inscribed and be subject to a transparent international review.

Lesotho, for LDCs, reiterated its support for two-track negotiations. PAPUA NEW GUINEA noted that a legally-binding agreement needs to be adopted as soon as practically possible and clarified that they did not support the AOSIS proposal. The GAMBIA urged the continuation of the Protocol beyond 2012.

PALESTINE noted that financial resources from developed countries for adaptation should also be provided to non-parties.

On continuing to apply the draft rules of procedure, with the exception of rule 42 on voting, opposed by PAPUA NEW GUINEA during the opening plenary, COP President Hedegaard said she would continue informal consultations and report back at a later meeting.

COP/MOP PLENARY

ORGANIZATIONAL MATTERS: AWG-KP Chair Ashe reported on progress under the AWG-KP and explained that he had introduced his draft text on the AWG-KP outcome to the parties on Friday.

TUVALU intervened on a point of order, saying discussions should continue based on the suspended agenda on proposed Protocol amendments.

Sudan, for the G-77/CHINA, identified the Chair's text as a good basis for further work under the AWG-KP but expressed concern over slow progress. He reiterated that dismantling or making redundant the Kyoto Protocol was unacceptable and that both negotiating tracks should be maintained, resulting in a strengthened Protocol and an agreed outcome under the Convention. SOUTH AFRICA, supported by several developing countries, clarified that, although there are a number of substantive issues that must still be resolved, the text can be used as the basis of work.

Grenada, for AOSIS, supported open and transparent negotiations on the Chair's draft text. The Gambia, for the AFRICAN GROUP, expressed concern with the lack of time in which to reach an outcome. PAPUA NEW GUINEA noted that the Chair's LULUCF text introduces "hot air" into the agreement. The FEDERATED STATES OF MICRONESIA stressed the need for binding outcomes under both the AWG-KP and the AWG-LCA.

The EU, with JAPAN, CANADA and SWITZERLAND, stressed that a global, ambitious and comprehensive agreement is required to preserve the environmental integrity of the Convention. The EU highlighted the importance of further progress on, *inter alia*, LULUCF, surplus AAUs and the flexibility mechanisms. JAPAN underscored action by all major emitters. NORWAY called for either a new commitment period under the Kyoto Protocol or a single binding agreement and stressed that work on LULUCF and the flexibility mechanisms should go forward.

COP/MOP President Hedegaard identified different views on how to move forward and said she would consult ministers and heads of delegation.

PROPOSED PROTOCOL AMENDMENTS: COP/MOP President Hedegaard noted ongoing consultations on how to proceed with the proposed Protocol amendments.

TUVALU urged that the issue must not be "swept under the carpet" and stressed that the legal context under this agenda item is based on Protocol Article 20 (amendments) and is therefore different from the work by the AWG-KP under Protocol Article 3.9 (Annex I further commitments). TUVALU stressed that their aim was not to merge the Kyoto Protocol with a new instrument but to preserve the legal architecture including the Protocol. Calling for substantive discussions, he said it would be "grave injustice" to forward the issue to another COP/MOP. Highlighting focus on the adoption of "deep emission reductions" by Annex I parties and that many aspects of the amendment proposal are inconsistent with the Convention, INDIA called for proceeding with work "without sidestepping." COP/MOP President Hedegaard noted India's concerns but said that informal consultations on the proposals will continue.

SBSTA CLOSING PLENARY

ORGANIZATIONAL MATTERS: The SBSTA agreed to elect Mihir Kanti Majumder (Bangladesh) as Vice-Chair and Purushottam Ghimire (Nepal) as Rapporteur.

NAIROBI WORK PROGRAMME ON IMPACTS, VULNERABILITY AND ADAPTATION TO CLIMATE CHANGE: The SBSTA adopted conclusions (FCCC/SBSTA/2009/L.17).

REDD: The SBSTA adopted conclusions (FCCC/SBSTA/2009/L.19 and Add.1). Parties also agreed to note in the meeting's report that "national circumstances include countries with specific circumstances, such as high forest cover and low rates of deforestation."

RESEARCH AND SYSTEMATIC OBSERVATION: The SBSTA adopted conclusions (FCCC/SBSTA/2009/L.16 and Add.1).

METHODOLOGICAL ISSUES UNDER THE

CONVENTION: Review of Annex I greenhouse gas

inventories: SBSTA Chair Plume proposed, and parties agreed, to reflect in the meeting's report that the SBSTA took note of the annual report on the technical review of Annex I greenhouse gas inventories (FCCC/SBSTA/2009/INF.4).

Emissions from international aviation and maritime transport: The SBSTA adopted conclusions (FCCC/SBSTA/2009/L.15).

METHODOLOGICAL ISSUES UNDER THE

PROTOCOL: HCFC-22/HFC-23: Facilitator Adejuwon reported that parties were not able to reach conclusions. The consideration of the issue will continue at SBSTA 32.

CCS under the CDM: SBSTA Chair Plume reported that no agreement had been reached on this issue and SBSTA adopted conclusions (FCCC/SBSTA/2009/L.20). SAUDI ARABIA and AUSTRALIA expressed disappointment that agreement was not reached. GHANA proposed requesting that SBSTA establish a programme for CCS as a mitigation technology and activity.

Common metrics: Co-Chair Gytarsky reported that no agreement had been reached. The consideration of the issue will continue at SBSTA 32.

TECHNOLOGY TRANSFER: Co-Chair Fuller reported on the joint SBSTA/SBI contact group, highlighting the report on performance indicators and the group's endorsement of the Expert Group on Technology Transfer's rolling programme of work. The SBSTA adopted conclusions (FCCC/SBSTA/2009/L.14).

MATTERS RELATING TO PROTOCOL ARTICLE 2.3 (adverse effects of policies and measures): The SBSTA adopted conclusions (FCCC/SBSTA/2009/L.18).

REPORT OF THE SESSION: The SBSTA adopted the report of the session (FCCC/SBSTA/2009/L.13).

Climate Justice Now, for ENGOs, highlighted concerns regarding “unproven mitigation technologies” citing nuclear power, genetically modified crops, ocean fertilization and biochar. The Women’s Environmental and Development Organization, for WOMEN & GENDER, called for participation of women and local communities in the implementation of REDD. Sustainable Markets Foundation, for YOUTH, called for an agreement on REDD to include: distinctions between plantations and natural forests; safeguards for local communities; and drivers of deforestation.

The EU, Sudan, for the G-77/CHINA, and Australia, for the UMBRELLA GROUP, expressed satisfaction with progress on various issues but noted limited time available at this session due to the work of the AWG-LCA and AWG-KP.

SBSTA Chair Plume highlighted progress, including a draft COP decision on REDD, thanked parties for their work and closed SBSTA 31 at 5:19 pm.

SBI CLOSING PLENARY

ORGANIZATIONAL MATTERS: Election of officers: The SBI elected Samuel Ortiz Basualdo (Argentina) as Vice-Chair and Kadio Ahossane (Cote d’Ivoire) as Rapporteur of the SBI.

PROTOCOL ARTICLE 3.14 (adverse effects and impacts of response measures): The SBI adopted conclusions (FCCC/SBI/2009/L.25).

ANNEX I NATIONAL COMMUNICATIONS AND GREENHOUSE GAS INVENTORY DATA:

The SBI adopted conclusions (FCCC/SBI/2009/L.26).

CAPACITY BUILDING (CONVENTION): The SBI adopted conclusions (FCCC/SBI/2009/L.19).

CAPACITY BUILDING (PROTOCOL): The SBI adopted conclusions (FCCC/SBI/2009/L.20).

REPORTING AND REVIEW OF INFORMATION FROM ANNEX I PARTIES UNDER THE PROTOCOL: The SBI adopted conclusions (FCCC/SBI/2009/L.23).

ANNUAL COMPILATION AND ACCOUNTING REPORT FOR PROTOCOL ANNEX B PARTIES: The SBI adopted conclusions (FCCC/SBI/2009/L.24).

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance for the biennium 2008-2009: The SBI adopted conclusions (FCCC/SBI/2009/L.21 and Adds.1 and 2).

Continuing review of the Secretariat’s functions and operation: The SBI adopted conclusions (FCCC/SBI/2009/L.21 and Adds.1 and 2).

Privileges and immunities: The SBI adopted conclusions (FCCC/SBI/2009/L.22).

CONVENTION ARTICLES 4.8 AND 4.9 (ADVERSE EFFECTS): Progress on the implementation of decision 1/CP.10 (Buenos Aires Programme of Work): The SBI adopted conclusions (FCCC/SBI/2009/L.28).

Matters related to LDCs: The SBI adopted conclusions (FCCC/SBI/2009/L.27).

TECHNOLOGY TRANSFER: The SBI adopted conclusions (FCCC/SBI/2009/L.18).

FINANCIAL MECHANISM: Fourth review of the financial mechanism: Co-Chair Lei noted progress made under this agenda item but said that the contact group needs more time to finish its work. The SBI adopted conclusions (FCCC/SBI/2009/L.29), which will serve as the basis for negotiations at SBI 32.

Report of the GEF: The SBI adopted conclusions (FCCC/SBI/2009/L.30).

Assessment of the Special Climate Change Fund: The SBI adopted conclusions (FCCC/SBI/2009/L.31).

REPORT OF THE SESSION: The SBI adopted the report of the session (FCCC/SBI/2009/L.17).

Sudan, for the G-77/CHINA, Australia, for the UMBRELLA GROUP, Lesotho, for the LDCs, Sweden, for the EU, Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, and Uganda, for the LDC Expert Group, welcomed progress at SBI 31, but noted the importance of issues postponed to later

sessions. The LDCs called for full support of the LDC work programme, including contribution by developed countries of US\$ 2 billion to the LDC Fund.

Global Wind Energy Council, for BINGOs, called for, *inter alia*, improving and expanding market mechanisms and acknowledging the central role of private investment.

Friends of the Earth International, for ENGOs, called for paying “the climate debt to the people of the South” and stressed the need for public financing rather than carbon markets. International Federation of Agricultural Producers, for FARMERS NGOs, supported establishing a SBSTA work programme on agriculture.

British Council, for YOUTH, supported Tuvalu’s proposal for a legally-binding outcome and underlined that parties must agree to a concrete and transparent financial mechanism.

SBI Chair Bratasida closed the session at 9:15 pm.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

FINANCE (AWG-LCA): In informal consultations, parties were presented with a non-paper reflecting work by a smaller drafting group. The non-paper contains bracketed elements on, *inter alia*: commitment to operationalize the financial mechanism; the concept of a body with various functions; a facilitative and verification function for the body; governance; and the establishment of a fund or funds. Parties then considered a non-paper addressing the generation and provision of financial resources.

TECHNOLOGY (AWG-LCA): The drafting group on technology met in informal consultations and considered revised draft text. In the morning, parties discussed paragraphs on: the objective of technology transfer and development; the functions of a technology mechanism; and the operation of the technology mechanism. Informal consultations continued in the afternoon.

JOINT IMPLEMENTATION (COP/MOP): Co-Chair Lesolle introduced a new draft decision and parties considered the text paragraph-by-paragraph. Parties agreed on all paragraphs with the exception of a paragraph on extending the share of proceeds to JI. The RUSSIAN FEDERATION and UKRAINE, opposed by the G-77/CHINA, proposed deleting this paragraph. AUSTRALIA, supported by several others, highlighted ongoing discussions on financing under other bodies, and UKRAINE noted that this issue is also being discussed under the AWG-KP. JAPAN noted that a decision extending the share of proceeds would require a Protocol amendment. Informal consultations will continue.

AWG-KP INFORMAL CONSULTATIONS: In the morning, parties convened in informal consultations on the AWG-KP Chair’s new text.

Many parties welcomed the text. Some developed countries said the legal form of the overall outcome needs to be resolved before addressing the text. On the flexibility mechanisms and LULUCF, many parties highlighted a desire to resolve outstanding issues in their respective subgroups.

POTENTIAL CONSEQUENCES (AWG-KP): During an afternoon contact group, Co-Chair Ure invited parties to provide general comments on the potential consequences section in the AWG-KP Chair’s draft text.

NEW ZEALAND, supported by the EU, expressed preference for adopting conclusions rather than a decision. The G-77/CHINA preferred adopting a decision.

Parties then commenced a paragraph-by-paragraph consideration of the text, beginning with the preambular section. On countries that would be most severely impacted by potential negative consequences, SAUDI ARABIA, COLOMBIA, KUWAIT, NIGERIA and others preferred referring to countries identified in Convention Articles 4.8, 4.9 and 4.10, while the EU, JAPAN and AOSIS preferred referring to the poorest and most vulnerable developing country parties.

MITIGATION (AWG-LCA): Informal consultations were held in the afternoon on the mitigation section of the Chair’s draft text.

On mitigation by developed countries, many countries proposed that the text should apply to Annex I countries that are not parties to the Kyoto Protocol and identified the need for such countries to take mid- and long-term commitments. Several other countries suggested this section applies to both Annex I parties and other countries wishing to take binding QELROs.

A proposal was also made to bracket the entire section based on concerns over the general approach taken in the text. It was also argued that the text prejudices the legal form of the outcome and that it should follow language contained in the BAP. A proposal was also made to address common mitigation elements for both developed and developing countries. On developing country NAMAs, some countries characterized the text as "weak" and proposed international review of NAMAs, which was opposed by many other countries.

MITIGATION - sub-paragraph 1(b)(iii) of the BAP (AWG-LCA): Informal consultations on REDD-plus continued to meet throughout the day, focusing on MRV and finance.

MITIGATION - sub-paragraph 1(b)(iv) of the BAP (AWG-LCA): A drafting group on sectoral approaches met in the morning to further consider draft text on agriculture. Parties restructured preambular text and discussed trade and the role of offsets. In the afternoon, parties discussed general sectoral approaches and bunker fuels.

MITIGATION - sub-paragraph 1(b)(vi) of the BAP (AWG-LCA): Parties exchanged views on draft text on response measures and reduced options on topics including trade and whether a forum is needed. Informal consultations continued in the evening.

OTHER ISSUES (LULUCF)(AWG-KP): In the afternoon, the sub-group on LULUCF convened in a contact group to exchange views on the AWG-KP Chair's draft text. BRAZIL, with many others, supported the text as the basis for discussion.

PAPUA NEW GUINEA, supported by COSTA RICA, MALAYSIA and THAILAND, expressed concern that the option on land-based accounting was omitted from the text. CHINA and many others noted an interest in a land-based approach, but not for the second commitment period. CANADA and AUSTRALIA highlighted decision text that establishes a SBSTA work programme on a land-based approach. SENEGAL, NIGERIA and COLOMBIA expressed reservations on the completeness of the activities list. PAPUA NEW GUINEA said they could not move forward with the text.

OTHER ISSUES (FLEXIBILITY MECHANISMS) (AWG-KP): In the afternoon contact group on other issues, Vice-Chair Dovland introduced streamlined text on the flexibility mechanisms.

Several parties proposed changes to the text on developing standardized baselines for specific project types. Vice-Chair Dovland warned against inserting too many square brackets and, after discussion, said he was not going to suggest that the AWG-KP Chair make any changes to the text.

The UNITED ARAB EMIRATES and others proposed adopting modalities and procedures for including CCS under the CDM at COP/MOP 6 instead of COP/MOP 7.

On regional distribution, SENEGAL requested specific reference to project activities in SIDS and African countries. SAUDI ARABIA, ARGENTINA and PERU preferred reference to all developing countries. NEW ZEALAND, the RUSSIAN FEDERATION, AUSTRALIA, JAPAN and CANADA said they could not support the encouragement of introducing quotas for Certified Emission Reductions originating from LDCs, SIDS and Africa during the second commitment period. CANADA and the EU proposed the removal of specific percentages, as a compromise. BRAZIL, with CHINA, supported a return to Chair's original text on regional distribution. The REPUBLIC OF KOREA and AUSTRALIA called for discussion of credits from new market mechanisms.

ANNEX I EMISSION REDUCTIONS (AWG-KP): Co-Chair Wollansky asked parties to focus on a proposed table to replace Protocol Annex B, as well as on proposed changes to Protocol Article 3 (Annex I further commitments), in the AWG-KP Chair's new draft text.

JAPAN highlighted the need for clarity on how to define parties' absolute emission reduction targets, and with AUSTRALIA and NEW ZEALAND, called for coherence with the AWG-LCA. He said the whole text relating to numbers should be bracketed.

Parties then identified problematic issues, provided textual proposals and highlighted elements that required further discussions or explanations.

Co-Chair Wollansky said the co-chairs might prepare a non-paper, based on the text and discussions so far, ahead of the next meeting of the group.

IN THE CORRIDORS

As the first week of the Copenhagen Climate Change Conference drew to a close, things were heating up both inside and outside the Bella Center. In the city of Copenhagen, an estimated 30,000-100,000 demonstrators marched from the city center to the Bella Center. A few hundred protesters were reportedly arrested by the police. However, the gathering was mostly peaceful with addresses and performances by a number of famous people. Climate change marches also took place in other parts of the world, including Australia and the Philippines.

Inside the conference center, groups of delegates gathered to watch live images of the demonstrators. Many were heard commenting on the incredibly large numbers of people urging Copenhagen to provide a meaningful outcome and set the world on a path to avoiding dangerous climate change. "It feels good to know that many people out there are as invested in this as I am," enthused one veteran negotiator.

Meanwhile, many parties found themselves exceptionally busy in the negotiations, as they attempted to finalize outstanding issues under the Subsidiary Bodies, attend their closing plenaries, which in the case of the SBI, lasted until after 9 pm, and still make their way to the myriad of informal consultations and contact group meetings going on elsewhere.

The emphasis remained on the long-term issues, which were considered throughout the day under various work streams. The AWG-KP Chair held an informal meeting in the morning, giving parties an opportunity to provide general feedback on his text introduced on Friday. In the afternoon, most AWG-KP groups began discussing the text, albeit with several parties expressing serious reservations to specific parts of it.

Various drafting groups under the AWG-LCA also continued working throughout the day on non-papers covering detailed issues under the Bali Action Plan. The AWG-LCA Chair convened informal consultations on the mitigation part of his new text. Few delegates emerging from the meeting seemed surprised that parties had mainly repeated their "well-known positions." Some key developed countries continued to express serious concern with the mitigation part of the text and opposed using it as a basis for further work.

In the afternoon, the COP President convened an informal meeting, also attended by some ministers. Parties emerging from the meeting explained that they had been presented a diagram illustrating possible outcomes under the Protocol and Convention tracks. "The proposal was to either complete negotiations here in Copenhagen and adopt a legally-binding outcome under both tracks, or agree on a deadline for adopting a legally-binding outcome under both tracks at a later stage," explained one negotiator after the meeting. In their reactions, most parties reportedly reiterated their entrenched positions, with no noticeable shift.

With little movement during the first week on some of the key issues, many delegates were thinking about the way forward: "We must work hard so that by this time next week, we can celebrate a fair and ambitious agreement: the momentum generated for this conference is simply unprecedented and far too valuable to lose," commented one slightly concerned but determined party.