

## TIANJIN CLIMATE CHANGE TALKS: 4-9 OCTOBER 2010

From 4-9 October 2010, the 14th session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 14) and the 12th session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 12) will convene in Tianjin, China, as part of ongoing negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The two AWGs are scheduled to report the outcomes of their work at the United Nations Climate Change Conference to be held in Cancun, Mexico from 29 November to 10 December 2010.

AWG-LCA 12 is expected to concentrate on its negotiating text (FCCC/AWGLCA/2010/14). The text encompasses the key aspects of the Bali Action Plan (decision 1/CP.13), namely a shared vision for long-term cooperative action, mitigation, adaptation, finance and technology, as well as capacity building. In her scenario note for the session, Chair Margaret Mukahanana-Sangarwe (Zimbabwe) notes that the AWG-LCA may not be able to resolve all issues within the time remaining and suggests that focus be put on issues that lend themselves to resolution within the time available, bearing in mind the need to achieve balance.

AWG-KP 14 is expected to consider the Chair's draft proposal, presented to the parties at AWG-KP 13 (FCCC/KP/AWG/2010/CRP.2). The document contains several draft decision texts on, *inter alia*, Protocol amendments under Article 3.9 (Annex I parties' further commitments), the flexibility mechanisms and land use, land-use change and forestry (LULUCF). In his scenario note, Chair John Ashe (Antigua and Barbuda) suggests focusing on narrowing down the options contained in the document and making progress on substantial outstanding issues.

## A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the UNFCCC in 1992, which sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid "dangerous anthropogenic interference" with the climate system. The UNFCCC entered into force on 21 March 1994 and now has 194 parties.

In December 1997, delegates to the third session of the Conference of the Parties (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 as Annex I parties under the UNFCCC, 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 192 parties.

In 2005, the first session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (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. Negotiations resulted in the adoption of the Bali Action Plan (BAP), which established the AWG-LCA with a mandate to focus on key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance and technology transfer. The Bali conference also resulted in agreement on a two-year process, the Bali Roadmap, which established two negotiating "tracks" under the Convention and the Protocol, and set a deadline for concluding the negotiations at COP 15 and COP/MOP 5 in Copenhagen in December 2009.

**FROM BALI TO COPENHAGEN:** In 2008, the two AWGs held four parallel negotiating sessions in: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland. In 2009, the AWGs met in: April, June and August in Bonn, Germany; October in Bangkok, Thailand; November in Barcelona, Spain; and December in Copenhagen, Denmark.

**AWG-LCA:** For the AWG-LCA, the first part of 2009 focused on developing draft negotiating text. This process resulted in a text that was nearly 200 pages long and covered all the main elements of the BAP. Because of the length of the text, delegates began producing non-papers, reading guides, tables and matrices aimed at making the negotiating text more

manageable. The outcome was a series of non-papers, forwarded to Copenhagen as an annex to the meeting report. Heading into Copenhagen, many felt the AWG-LCA had made satisfactory progress on adaptation, technology and capacity building, but that “deep divides” remained on mitigation and certain aspects of finance.

**AWG-KP:** For the AWG-KP, the focus in 2009 was on the “numbers,” namely Annex I parties’ aggregate and individual emission reductions beyond 2012, when the Protocol’s first commitment period expires. Parties also discussed other issues in the AWG-KP’s work programme, including the flexibility mechanisms, LULUCF and potential consequences of response measures to climate change. The discussions were based on documentation divided into proposals for amendments to the Protocol under Article 3.9 and text on other issues, such as LULUCF and the flexibility mechanisms. Most felt that insufficient progress had been made on Annex I parties’ aggregate and individual targets, 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 under both AWGs.

**COPENHAGEN CLIMATE CHANGE CONFERENCE:** The UN Climate Change Conference in Copenhagen, Denmark, took place from 7-19 December 2009, and included COP 15 and COP/MOP 5, the 31st sessions of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA), as well as AWG-KP 10 and AWG-LCA 8. Over 110 world leaders attended the joint COP and COP/MOP high-level segment from 16-18 December.

The event was marked by disputes over transparency and process. In particular, differences emerged on whether work should be conducted in a small “Friends of the Chair” format or open contact groups. A proposal by the Danish COP Presidency to table two texts reflecting the work done by the AWGs also caused divisions. Many parties rejected the Danish text, urging that only texts developed in the AWGs by parties should be used. During the high-level segment, informal negotiations took place in a group consisting of major economies and representatives of regional and other negotiating groups. Late in the evening of 18 December, these talks resulted in a political agreement: the “Copenhagen Accord.”

After the Accord had been agreed on by this small group, delegates from all parties reconvened for the closing COP plenary. Over the next 13 hours, they discussed the transparency of the process and debated whether the COP should adopt the Copenhagen Accord. Many supported adopting it as a COP decision in order to operationalize it as a step towards securing a “better” future agreement. However, some developing countries opposed the Accord, which they felt had been reached through an “untransparent” and “undemocratic” process. Ultimately, parties agreed that the COP “takes note” of the Copenhagen Accord. Parties also established a process for indicating their support for the Accord and, by 3 October 2010, 139 countries had indicated their support. More than 80 countries have also provided information on their emission reduction targets and other mitigation actions, as agreed under the Accord.

On the last day of the Copenhagen Climate Change Conference, the COP and COP/MOP also agreed to extend the mandates of the AWG-LCA and AWG-KP, requesting them to present their respective outcomes to COP 16 and COP/MOP 6 in Cancun.

**BONN CLIMATE CHANGE TALKS (APRIL AND JUNE 2010):** Negotiations resumed in 2010 with AWG-LCA 9 and AWG-KP 11, which took place from 9-11 April. Their focus was

on the organization and methods of work in 2010 to enable each AWG to fulfill its mandate and report its outcome in Cancun. In the AWG-LCA, delegates mandated the Chair to prepare text for the June session. The AWG-KP agreed to continue considering Annex I parties’ aggregate and individual emission reductions, as well as various other issues.

Discussions continued in Bonn from 31 May to 11 June. AWG-LCA 10 focused on the Chair’s new draft text. Late in the evening of 10 June, AWG-LCA Chair Mukahanana-Sangarwe circulated the advance draft of a revised text, which she said could be considered at AWG-LCA 11. Some developing countries felt that the advance draft was “unbalanced” and should not be used as the basis for negotiations in August unless their views were reflected more fully. A revised version of the text was circulated in July.

AWG-KP 12 focused on Annex I emission reductions and other issues, including the flexibility mechanisms and LULUCF. It also addressed ways to avoid a gap between the first and subsequent commitment periods, and requested the Secretariat to prepare a paper on legal options for achieving this.

**BONN CLIMATE CHANGE TALKS (AUGUST 2010):** AWG-LCA 11 considered a text circulated by Chair Mukahanana-Sangarwe in July 2010 (FCCC/AWGLCA/2010/8). The text was intended to facilitate negotiations in preparation for reaching an outcome at COP 16. The AWG-KP continued consideration of the scale of emission reductions from Annex I parties to the Protocol. It also discussed legal issues, including a possible gap between the Protocol’s first commitment period (2008-2012) and subsequent commitment periods. In addition, delegates addressed LULUCF, the flexibility mechanisms and potential consequences of response measures of climate change. The AWG-KP agreed to forward a Chair’s draft proposal on Annex I parties’ further commitments (FCCC/KP/AWG/2010/CRP.2) for further discussion in Tianjin.

### **INTERSESSIONAL HIGHLIGHTS**

**GENEVA DIALOGUE ON CLIMATE FINANCE:** From 2-3 September 2010, the Geneva Dialogue on Climate Finance took place in Geneva, Switzerland. At the invitation of Switzerland and Mexico, a group of ministers and government representatives from 46 countries and the European Union, together with the AWG-LCA Chair and the UNFCCC Executive Secretary, met in an informal setting to discuss current themes related to finance in the ongoing UN climate negotiations. The issues discussed included finance architecture, the new climate fund, the role of the private sector and sources of long-term finance. In their summary, the Co-Chairs of the Dialogue characterized the meeting as positive and identified the need to feed the constructive spirit back to the formal negotiations under the UNFCCC.

**MAJOR ECONOMIES FORUM ON ENERGY AND CLIMATE:** The Eighth Meeting of the Leaders’ Representatives of the Major Economies Forum on Energy and Climate took place in New York, US, from 20-21 September 2010, and was attended by officials from 17 major economies, as well as the UN, Barbados, Denmark, Egypt, Singapore and Spain. Participants discussed how to advance prospects for a successful outcome at the Cancun Climate Change Conference. They recommended that the Tianjin negotiations should focus on key issues and “extract” from the negotiating text what should be decided upon in Cancun.



## AWG-LCA 12 AND AWG-KP 14 HIGHLIGHTS: MONDAY, 4 OCTOBER 2010

The Tianjin Climate Change Talks opened on Monday morning with a welcoming ceremony. In the morning, the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) opening plenary took place, followed by the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) opening plenary. In the afternoon, drafting groups convened under the AWG-LCA to consider shared vision, adaptation, and finance, technology and capacity building. Contact groups on Annex I emission reductions and other issues convened under the AWG-KP.

### WELCOMING CEREMONY

Huang Xingguo, Mayor of Tianjin, welcomed participants to Tianjin, which he described as China's model for developing circular economies. He said the meeting is an illustration of China's efforts to implement the Bali Roadmap. UNFCCC Executive Secretary Christiana Figueres emphasized the need to prevent multilateralism from being seen as "an endless road" and urged parties to prevent climate change impacts from erasing development progress. She said a set of COP and COP/MOP decisions could be an achievable outcome in Cancun, which could include adaptation and technology transfer frameworks, capacity building, a financial mechanism and the launch of a readiness phase for reducing emissions from deforestation and forest degradation in developing countries (REDD). She stressed that these issues cannot advance without clarity on sensitive political issues including fast-start financing, the future of the Kyoto Protocol, formalization of previous commitments made by parties, long-term finance, response measures and an understanding of "fairness" to guide long-term work.

Dai Bingguo, State Councilor, China, called for countries to reach consensus on a legally-binding agreement at an early date. He highlighted China's mitigation targets and suggested that parties: adhere to the UNFCCC framework and build on the outcomes of the Copenhagen Conference to promote the implementation of the UNFCCC and the Kyoto Protocol; follow the principles of common but differentiated responsibilities to

set targets for developed countries and "flesh out" financial and technological support to developing countries; and strike a balance between economic development, poverty eradication and climate protection.

### AWG-LCA OPENING PLENARY

**ORGANIZATIONAL MATTERS:** Chair Margaret Mukahanana-Sangarwe (Zimbabwe) described this session as "make or break towards the Cancun outcome." She suggested that parties focus on issues that are achievable in the time remaining before Cancun, bearing in mind the need for a balance among the elements of the Bali Action Plan (BAP). She also outlined her intention to present a set of draft decisions to COP 16, which are close to being fully agreed. Parties then adopted the agenda (FCCC/AWGLCA/2010/12) and agreed to the organization of work (FCCC/AWGLCA/2010/12 and 13).

### PREPARATION OF AN OUTCOME AT COP 16:

The Secretariat introduced the documentation (FCCC/AWGLCA/2010/13-14; MISCs.6-7). Reporting on intersessional meetings, MEXICO outlined preparations for Cancun, including: the Informal Ministerial Dialogue on Climate Finance; a series of activities held in conjunction with the 65th Session of the UN General Assembly in September 2010 in New York, US; and an international technical workshop for States and indigenous peoples in preparation for COP 16, also held in September 2010 in Mexico.

SWITZERLAND reported on the results of the Informal Ministerial Dialogue on Climate Finance, which took place from 2-3 September 2010 in Geneva, Switzerland. He noted that four issues had been discussed: a new climate fund; the role of the private sector; the fund structure; and the sources of long-term finance. He concluded that constructive proposals had been made during this informal dialogue, which would feed into the formal negotiations under the UNFCCC.

**OPENING STATEMENTS:** Parties generally expressed support for the adoption of a balanced set of decisions in Cancun. Yemen, for the G-77/CHINA, emphasized that the AWG-LCA's work should be based on the principles and provisions of the Convention and the BAP, and should not re-classify or differentiate amongst developing countries. He called for: continuing negotiations and determining elements

ready for inclusion in a balanced package; adopting decisions in Cancun in accordance with the BAP; respecting the balance between the two negotiating tracks; and ensuring that these decisions do not compromise the overall objective of a comprehensive and ambitious legally-binding outcome.

The Democratic Republic of the Congo, for the AFRICAN GROUP, called for establishing new mechanisms, including an adaptation committee to provide technical support for implementing enhanced adaptation action and a fund under the COP with assessed contributions by developed countries of 1.5% of gross domestic product (GDP) per year. He said the AWG-LCA should focus on enhancing the level of ambition of Annex I countries not party to the Kyoto Protocol, and on reducing emissions from deforestation and forest degradation; plus conservation (REDD+). He called on parties to avoid the insertion of text that deviates from what was agreed at previous sessions.

Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), said COP 16 should demonstrate that the international community will deliver a legally-binding outcome within a clear deadline. She proposed decisions on: the establishment of a permanent body to assist in the design and implementation of adaptation actions; institutional arrangements to address loss and damages; REDD+; capacity building; and response measures. On mitigation, she called for building on the Kyoto Protocol for developed country MRV, and suggested adopting new rules for developing countries on national communications and frequency of inventories. On finance, she called for the formal establishment of a new fund and oversight body.

Lesotho, for the LEAST DEVELOPED COUNTRIES (LDCs), urged parties to identify and focus on issues on which concrete decisions can be made in Cancun. He called for massively scaled-up, accessible and additional funding for LDCs, and, on adaptation, said the LDCs should receive 70% of the proposed 1.5% of Annex I parties' GDP for adaptation.

The EU highlighted that its overall goal for Cancun is to make as much progress as possible towards an ambitious, comprehensive and legally-binding outcome in line with the 2°C objective. He highlighted that the EU looks forward to the establishment of an adaptation framework and a technology mechanism together with their institutional arrangements, and noted the need for a decision regarding the establishment of the Copenhagen Green Climate Fund and for fast-start finance. He reaffirmed that the EU will contribute €2.4 billion annually over the period of 2010-2012 for fast-start finance.

Australia, for the UMBRELLA GROUP, noted that decisions should: lock-in achievements to date; outline pathways for further progress; and galvanize immediate action by implementing the Copenhagen Accord. She also highlighted MRV and international consultation and analysis as essential parts of any balanced package in Cancun.

Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, emphasized the importance of progress under the AWG-LCA and said that parties should strive to have a set of draft decisions by the end of the week.

Belize, for the CENTRAL AMERICAN INTEGRATION SYSTEM (SICA), supported peaking of greenhouse gas (GHG) emissions by 2015 and called for progress on adaptation and finance.

Venezuela, for the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA), called for balanced progress on all elements of the BAP, to enable adoption of a legally-binding instrument in Cancun that will strengthen and supplement the Kyoto Protocol. She said the instrument should include all developed countries.

Egypt, for the ARAB GROUP, supported focusing negotiations on issues that could be agreed and reaching a balanced agreement. He said the BAP is the basis for negotiations under the two AWGs and that the outcomes of Cancun must be in agreement with the principles of the UNFCCC and Kyoto Protocol, including the principle of common but differentiated responsibilities, and provision of finance and technology to developing countries.

CHILE, also speaking for Colombia, Costa Rica, Peru and the Dominican Republic, noted that a balanced package of decisions is "neither nebulous nor vague."

ICLEI-Local Governments for Sustainability, for LOCAL GOVERNMENT AND MUNICIPAL AUTHORITIES, expressed concern at the lack of reference to the local level and decentralized action, particularly in the text on mitigation.

The International Chamber of Commerce, on behalf of BUSINESS AND INDUSTRY NGOS (BINGOs), called for prioritizing outcomes that provide for: comparable and cooperative long-term actions; guidance on GHG inventory methodologies; and consideration of MRV of national actions.

Climate Action Network, on behalf of ENVIRONMENTAL NGOS (ENGOS), expressed high expectations for Cancun, urged parties to move beyond "nothing is agreed until everything is agreed" and underlined the need for convergence to agree on a clear mandate for a binding deal to be concluded at COP 17. Friends of the Earth, for ENGOS, lamented attempts to "dismantle" the UNFCCC architecture and replace it with a pledge-based approach, and said climate financing should not be used as a bargaining chip against developing countries.

Global Campaign for Climate Action, for YOUTH NGOS (YOUNGOS), noted that despite Copenhagen, the global climate movement is growing as people continue to experience climate impacts in their countries. She called for an international agreement in line with science and justice.

International Federation of Agricultural Producers, for the FARMERS CONSTITUENCY, emphasized the importance of: ensuring local and global food security; addressing the adaptation needs of farmers; and including agriculture in the negotiating text.

Tebtebba, on behalf of INDIGENOUS PEOPLES, called for the recognition of indigenous peoples' rights pursuant to the UN Declaration on Rights of Indigenous Peoples (UNDRIP).

Gender CC-Women for Climate Justice, for GENDER NGOS, underlined the importance of sustainable low carbon development and said women wish to see a society with public transportation, renewable energy and energy efficient housing.

**AWG-LCA CONTACT GROUP:** Chair Mukahanana-Sangarwe opened the first meeting of the AWG-LCA contact group. She proposed continuation of the four drafting groups established at AWG-LCA 11, namely: a shared vision, facilitated by Anders Turesson (Sweden); adaptation, facilitated by Kishan Kumarsingh (Trinidad and Tobago); mitigation, facilitated by Richard Muyungi (Tanzania) and Audun Rosland (Norway); and finance, technology and capacity building, facilitated by Burhan Gafoor (Singapore) and Maas Goote (the Netherlands). She said spin-off groups may also be established to work on specific issues.

#### **AWG-LCA CONTACT GROUPS**

**ADAPTATION DRAFTING GROUP:** Facilitator Kishan Kumarsingh gave an overview of work carried out during the August session. He said the aim of discussions would be to continue reducing the options under each cluster in order to streamline the text.

After discussion, parties agreed to begin by addressing two options for institutional arrangements: establishing an adaptation committee; or strengthening, enhancing and better utilizing existing institutional arrangements. Many developing countries expressed preference for the first option. Some parties also noted that elements from the second option could be integrated into the first option. One developed country said the first option should consider existing institutions and urged coherence between what is proposed and what already exists.

Parties also considered two options on addressing loss and damage: establishing an international mechanism; or strengthening international cooperation and expertise.

**SHARED VISION DRAFTING GROUP:** The drafting group on shared vision considered the sequence of work and began moving paragraph-by-paragraph through the text. Many developing countries emphasized that all elements of the BAP must be treated in an integrated manner in the shared vision text.

Parties agreed to begin discussions with paragraph 68 of the draft text, on periodic review of the long-term goal in light of the Convention's ultimate objective. In several textual formulations, a diverse group of countries, opposed by others, supported reviewing the "adequacy" of the long-term goal and the commitments and actions on mitigation, adaptation, finance, technology development and transfer, and capacity building.

On paragraph 69, addressing elements the review should take into account, a developing country group proposed using impacts on LDCs and small island developing states (SIDS) as key benchmarks for assessing adequacy of the long-term goal. One developed country suggested including information on technology availability, economic costs, level of effort and "individual and collective barriers to further effort." Several developing countries requested replacement of "best available" science with "peer reviewed" science.

**FINANCE, TECHNOLOGY AND CAPACITY BUILDING DRAFTING GROUP:** In the afternoon, discussions focused on the establishment of a new fund (para. 60, Chapter I and para.8, Chapter III, FCCC/AWGLCA/2010/14), which received general support from parties. Several developing countries emphasized the need to determine the scale and sources of financing and underlined that the fund should be part of the UNFCCC process.

Some developed countries underscored the need for a balanced package in Cancun, noting that financing, technology and capacity building constitute important elements of this package. Some parties said that the fund should have a governance structure, which: functions under the COP; has a clearly identifiable oversight mechanism; and comprises a balanced and equitable representation of parties. Some parties noted the need for the fund to be subjected to MRV.

The contact group decided to establish a spin-off group on the new fund.

#### **AWG-KP OPENING PLENARY**

**ORGANIZATIONAL MATTERS:** Chair John Ashe (Antigua and Barbuda) opened the session, noting that the main task is to narrow down options in the Chair's text (FCCC/KP/AWG/2010/CRP.2).

Parties adopted the agenda (FCCC/KP/AWG/2010/12) and agreed to the organization of work (FCCC/KP/AWG/2010/13).

**ANNEX I PARTIES' FURTHER COMMITMENTS:** Chair Ashe introduced submissions by parties on the Chair's text (FCCC/KP/AWG/2010/MISC.6). He said four contact groups would meet on: scale of emission reductions ("numbers"), co-chaired by Jürgen Lefevere (EU) and Janine Coye Felson (Belize); other issues, including LULUCF, the flexibility mechanisms and methodological issues, chaired by AWG-KP Vice-Chair Adrian Macey (New Zealand); potential consequences, co-chaired by Eduardo Calvo Buendía (Peru) and Andrew Ure (Australia); and legal matters, co-chaired by Gerhard Loibl (Austria) and Daniel Ortega (Ecuador).

**OPENING STATEMENTS:** Yemen, for the G-77/CHINA, expressed concern at slow progress in adopting conclusions on the scale of Annex I emission reduction targets. He insisted on a second commitment period for Annex I parties, highlighted the insufficiency of current pledges and said the current text should be used as the basis for negotiations.

Belgium, for the EU, called for an ambitious post-2012 regime and emphasized preference for a single legally-binding agreement incorporating essential elements of the Kyoto Protocol. He however underscored flexibility on a second commitment period as part of a global legally-binding agreement, with a "fair share" of emission reductions undertaken by Annex I countries not party to the Kyoto Protocol and other major emitters.

Australia, for the UMBRELLA GROUP, expressed commitment to being part of a durable, fair, effective and comprehensive outcome with the participation of all major economies. She said there could not be further clarity on numbers until rules and the broad post-2012 outcomes are clarified.

Grenada, for AOSIS, called for: reaching agreement on a five-year second commitment period with 1990 as the single, legally-binding, base year; agreeing on LULUCF accounting rules; identifying feasible ways to address surplus assigned amount units (AAUs); agreeing on a transparent process to transform mitigation pledges into quantified emission limitation and reduction objectives (QELROs); and increasing the aggregate level of ambition.



Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, stressed the importance of QELROs as part of the package moving towards a balanced and fair climate regime. He called for clarifying rules and options affecting level of ambition, including LULUCF accounting rules, length of commitment periods, the basket of gases and carryover of surplus AAUs.

Lesotho, for the LDCs, called on developed countries to show the leadership and political will necessary to combat climate change. He underscored the need to work towards a concrete and achievable outcome in Cancun that would serve as the basis for an ambitious and legally-binding outcome. He said guidelines for the treatment of LULUCF and rules to improve the geographical distribution of Clean Development Mechanism (CDM) projects must be finalized.

Belize, for SICA, called for Annex I parties to raise their level of ambition and highlighted the need to avoid a gap between commitment periods. Egypt, for the ARAB GROUP, said that agreement on a second commitment period is a top priority that requires engagement and movement away from the precondition that all parties take on responsibilities. He welcomed the Chair's text as a good basis for negotiations. Bolivia, on behalf of ALBA, lamented efforts to "eliminate the Kyoto Protocol," underlined the urgency of the AWG-KP's work and said this must be concluded at COP/MOP 6 in Cancun.

The Democratic Republic of the Congo, for the AFRICAN GROUP, underscored the need to amend the Kyoto Protocol to establish a second and subsequent commitment periods, and lamented signs that Annex I parties are not fully committed to an agreement under the AWG-KP. He further: highlighted a commitment to conclude LULUCF negotiations; welcomed progress on rules for forest management accounting; called for exploring legal options on a possible gap between commitment periods; and urged continued work on adoption of rules and methodologies for small- and medium-scale CDM projects.

BINGOs encouraged efforts to consult on issues of common concern between the two AWGs, noting that the linkages and overlap remain confusing and that the business sector requires clarity regarding commitments and the means available to achieve them. ICLEI highlighted that successful climate action at the local level can be scaled up. YOUNGOs emphasized that participants are here to "fight for a better life and a better world."

ENGOs said that CDM projects should not cause loss of livelihoods and INDIGENOUS PEOPLES called for a binding outcome under the Kyoto Protocol, which: recognizes indigenous rights as defined in the UNDRIP; closes LULUCF loopholes; and uses a fund-based, rather than a market-based, approach. CLIMATE ACTION NETWORK said the best adaptation is urgent mitigation and called for closing the 7-10 gigatonne gap. TRADE UNIONS called on Annex I countries to make a transition to a low carbon economy that respects workers.

**OTHER MATTERS:** Chair Ashe noted that Shin Yeon-Sung (Republic of Korea) would continue to conduct informal consultations with parties on issues of common interest between the AWG-LCA and AWG-KP.

## AWG-KP CONTACT GROUPS

**"OTHER ISSUES" CONTACT GROUP:** Recalling the objective of narrowing down options in the Chair's text (FCCC/KP/AWG/2010/CRP.2), AWG-KP Vice-Chair Macey highlighted progress made on LULUCF during the August session. He noted that there would be five informal consultations on LULUCF, co-facilitated by Marcelo Rocha (Brazil) and Peter Iversen (Denmark), as well as two meetings of each of the spin-off groups on flexibility mechanisms and the basket of methodological issues, both facilitated by himself. He said there would be three contact groups, including one devoted to LULUCF, and provisions would be made for a joint meeting with the numbers group.

**ANNEX I EMISSION REDUCTIONS ("NUMBERS") CONTACT GROUP:** Co-Chair Jürgen Lefevere explained that the focus of discussions would be on further streamlining the Chair's text on Annex I parties' further commitments (FCCC/KP/AWG/2010/CRP.2), noting that AWG-KP Chair Ashe had requested that parties work towards significantly reducing this text. He outlined the proposed work plan for the contact group, to include discussions on: transforming pledges into QELROs; efforts and achievements to date and carryover of surplus AAUs; and the aggregate and individual scale of emission reductions, including duration of commitment periods and base year.

Co-Chair Lefevere informed parties that a paper setting out efforts and achievements to date was being prepared. He further noted that several parties had drawn attention to errors in the Chair's text or to the fact that the text does not fully reflect their views, and invited these parties to identify such mistakes or gaps. The FEDERATED STATES OF MICRONESIA and BRAZIL then provided clarification regarding their proposals on various issues such as Annex I parties' commitments and carryover of surplus AAUs, and also identified mistakes in the Chair's text.

## IN THE CORRIDORS

The spacious corridors of the impressive new Tianjin Meijiang Convention and Exhibition Center were remarkably subdued on the opening day of the Tianjin Climate Change Talks, with weary negotiators complaining of "meeting fatigue" and grumbling that there did not appear to be an end in sight. Many negotiators appeared resigned to the inevitability of not obtaining a legally-binding agreement before COP 17 in South Africa, as they discussed what a "balanced" set of decisions for COP 16 could look like. "We need to know what we are going to forward to the COP and COP/MOP before we get to Cancun," remarked one delegate, "we have to learn from the chaos of Copenhagen." Another noted that "while many of us think that we need to move past the mantra of 'nothing is agreed until everything is agreed,' it is going to be difficult to find common ground on what the set of decisions will be."

After the AWG-KP contact group on "numbers," some delegates lamented that they had run out of things to say and were not quite sure if they could add anything new to the discussions during the coming week, while continuing to underscore that the pledges on the table "won't keep us under 2°C." "Anyway, let's wait and see" one commented, "we never can tell, there may be some surprises in store for us."

## AWG-LCA 12 AND AWG-KP 14 HIGHLIGHTS: TUESDAY, 5 OCTOBER 2010

Throughout Tuesday, various drafting groups convened under the AWG-LCA to consider adaptation, mitigation, and finance, technology and capacity building. Contact groups under the AWG-KP addressed legal matters and Annex I emission reductions, while LULUCF and other issues were discussed in informal consultations.

### AWG-KP CONTACT GROUPS

**LEGAL MATTERS:** In the morning, Co-Chair Daniel Ortega opened the legal matters contact group with a discussion on the organization of work, explaining that the group would meet six times to address entry into force, other issues, including proposed amendments to the Kyoto Protocol, and issues referred to the group by other contact groups.

CHINA noted that discussions beyond the amendment of Article 3.9 (Annex I parties' further commitments) are outside the mandate of the AWG-KP. With SAUDI ARABIA, BRAZIL, INDIA, BOLIVIA, Ghana, for the AFRICAN GROUP, EGYPT and SUDAN, she stressed that substantive discussions on other proposals to amend the Kyoto Protocol, contained in the Chair's text, would be unacceptable and urged focusing the limited negotiating time on discussions under the numbers contact group. Several parties noted that the COP/MOP is the appropriate venue for discussing the proposed amendments.

AUSTRALIA emphasized the need to discuss the other proposed amendments in the Chair's text. TUVVALU, supported by the Federated States of Micronesia, for AOSIS, stressed that consequential amendments, which arise from the amendment of Annex B, must be considered to ensure legal consistency with the Kyoto Protocol. SWITZERLAND emphasized that "rigid interpretations" of the AWG-KP mandate would not help move discussions forward.

Co-Chair Ortega said he would take parties' views back to the AWG-KP Chair, adding that parties should have raised these concerns in plenary. China emphasized that the negotiations are a party-driven process. AUSTRALIA stressed that as a party that will "actually be taking on an Annex I commitment," he had "trouble understanding" why parties would prevent discussions that would help with making those commitments, underlining that those parties were blocking progress on a second commitment period.

Co-Chair Ortega said he would report back to the group on possible ways to move forward.

**ANNEX I PARTIES' FURTHER COMMITMENTS:** In the afternoon, Co-Chair Janine Coye Felson opened the contact group and requested that parties focus on the transformation of Annex I parties' pledges into QELROs and carryover of

surplus AAUs. The Secretariat presented the technical paper on issues relating to transforming pledges into QELROs (FCCC/TP/2010/3).

AUSTRALIA underscored that rules and legal options must be clarified before pledges can be translated into QELROs. The EU emphasized that the starting point will impact environmental integrity. NEW ZEALAND noted that party pledges are based on different assumptions. BRAZIL said the starting point "is irrelevant" and that the real issue is the current level of pledges.

The Federated States of Micronesia, for AOSIS, stressed the need for comparable numbers and supported a five-year commitment period, which would allow the process to respond to emerging science and to deepen commitments before 2020. She emphasized the need to avoid locking in the first commitment period surplus and rewarding parties for not achieving their commitments.

The RUSSIAN FEDERATION pointed out that their Copenhagen Accord pledge is not a second commitment period pledge. CHINA stressed that the bottom-up approach is inadequate and insisted that developed countries reduce their emissions by 40% by 2020 from 1990 levels. BOLIVIA proposed that each country use the starting point that gives the highest emission reductions, and emphasized that the pledges on the table would only result in a 10% reduction from current emission levels. He underscored that clarity on rules prior to translating pledges into QELROs will not make a difference in terms of what the atmosphere sees.

On carryover of surplus AAUs, the Secretariat presented a table of options for addressing carryover to the second and subsequent commitment periods and parties clarified their proposals. The RUSSIAN FEDERATION said any proposal to eliminate or limit carryover is inconsistent with the Kyoto Protocol.

### AWG-KP INFORMAL GROUPS

**LULUCF:** In informal consultations, discussions focused on a proposal from a number of parties on guidelines for the submission and review of information on forest management reference levels. Parties considered issues of comparability and consistency, as well as challenges posed by the proposed review procedures. Parties also discussed emissions from harvested wood products (HWP), particularly how to account for oxidation of exported HWPs.

### AWG-LCA DRAFTING GROUPS

#### FINANCE, TECHNOLOGY AND CAPACITY

**BUILDING:** The drafting group on finance, technology and capacity building met in the morning and afternoon. During the morning discussions on finance, parties discussed the proposed oversight body. Co-facilitator Burhan Gafoor recalled that divergence exists on whether this new body



should be established or whether existing institutions should be strengthened to perform the proposed functions. Parties addressed whether the process for establishing a new climate fund could also take into consideration the proposed functions of a new body.

Parties also considered whether to have in Cancun, a decision on the new body or, alternatively, a decision that does not prejudge a new body. Several parties cautioned against taking a decision in Cancun that would prejudge the eventual outcome of the AWG-LCA process.

During the afternoon discussion on technology, parties addressed the mandate, composition and relationship to the financial arrangements of the proposed technology executive committee (TEC). On the mandate, parties debated whether to: specify the TEC mandate in a decision; or have a decision asking the TEC to elaborate its own modalities. The issue of whether a distinction exists between a mandate and modalities or functionality of the TEC was raised, with views differing on this. Disagreement also arose over the relationship between the TEC and the proposed climate technology centre and network (CTCN), in regards to a proposal that the TEC provide guidance to the CTCN and that it should therefore elaborate the CTCN's terms of reference. An alternative position was that both these bodies would be of equal status.

On composition, parties discussed size, technical expertise and capacity, and the terms of service. Parties also discussed: whether only government officials in their private capacity should serve on the board or if other individuals should also be included; the need for an equitable balance between developed and developing countries; and using the Expert Group on Technology Transfer as a model.

On the relationship between technology and finance, parties discussed the potential role of the TEC and whether it should provide broad policy advice or be actively linked to the funding mechanism. Co-facilitator Goot proposed bilateral consultations on a possible technology decision and established a spin-off group on the mandate and composition of the TEC.

**ADAPTATION:** In the morning, parties continued consideration of institutional arrangements. Some parties expressed preference for an option requesting developed country parties to support developing country parties in strengthening and establishing designated national-level institutional arrangements for adaptation. Other parties preferred a less prescriptive option inviting all parties to strengthen and establish national-level institutional arrangements.

During afternoon discussions, parties considered enhancing adaptation action under the adaptation framework, and establishing a process for LDCs to formulate and implement National Adaptation Plans of Action (NAPAs), which received general support from parties.

**MITIGATION (sub-paragraph 1(b)(i) of the BAP) (developed country mitigation):** Parties focused on structuring discussions aimed at producing text in the form of a decision or part of a decision. Parties identified other issues that should be discussed in addition to those suggested by the AWG-LCA Chair in her scenario note, such as: compliance systems, including for non-Kyoto Protocol Annex I countries; comparability of actions by developed countries; the legal nature of the outcome; the nature and content of the set of decisions to be considered for adoption at Cancun, and the implications for the Kyoto Protocol and the goal of a legally-binding outcome under the AWG-LCA; and the framework for mitigation commitments by Annex I countries. Consultations will continue.

**MITIGATION (sub-paragraph 1(b)(ii) of the BAP) (developing country mitigation):** Co-facilitator Rosland suggested focusing discussions on support for the preparation of nationally appropriate mitigation actions (NAMAs), a mitigation registry, ICA, and MRV of actions and support. Parties considered the need for substantive discussion on elements that will be part of a COP 16 decision and those that can be considered at a later stage.

Parties discussed whether a package of decisions in Cancun should include elements for capturing and "anchoring" pledges by major developing economies. Parties clarified their concept of a registry, with some underscoring that it should be a forum for matching proposed actions with support. Parties discussed whether there is a need for an annex and if it would reflect "unconditional pledges," combining both supported and unsupported mitigation actions in developing countries. Parties also considered whether national communications provide an adequate forum for reporting on all types of mitigation activities.

Parties discussed differences between supported and autonomous NAMAs in developing countries and whether the full range of mitigation actions, some of which receive support, are relevant to sub-paragraph 1(b)(ii) of the BAP. Consultations will continue.

**Mitigation (sub-paragraph 1(b)(v) of the BAP)(various approaches to enhance the cost-effectiveness of, and to promote, mitigation actions):** Discussions focused on streamlining the heavily-bracketed text, in order to enable a decision to be taken in Cancun. Parties highlighted the need to: consider what a decision should contain; focus on what is needed to work towards a legally-binding agreement; and ensure a balance between market and non-market-based approaches. Some parties preferred that discussions focus only on non-market-based approaches. Parties also considered ways of streamlining the text, such as by separating out market and non-market-based approaches in the text, and discussing these in a smaller drafting or spin-off group.

**Mitigation (sub-paragraph 1(b)(vi) of the BAP) (consequences of response measures):** Discussions in the drafting group focused on the means for reporting and addressing consequences of response measures. Parties considered: the need to establish a forum; its potential structure and functions; the possibility of using existing mechanisms rather than establishing a separate forum; and whether consideration should be restricted to consequences experienced in developing countries. Parties also considered the possible content of a decision on the consequences of response measures for Cancun. Consultations will continue.

### IN THE CORRIDORS

By the close of Tuesday, the subdued mood in the Tianjin Meijiang Conference Center had lifted slightly, with some parties reporting "frank and interesting" discussions, particularly in some of the AWG-LCA mitigation groups. "Although we're not exactly making substantive progress, at least we're now discussing how to move forward" noted one delegate.

In most quarters, however, there was less enthusiasm. With expectations for Cancun already much lower than for Copenhagen, some parties appeared to have trouble seeing a clear path to achieving any agreement there. One seasoned delegate opined that "absence of an outcome in Cancun could lead to the eventual demise of the process." Others remained more optimistic, with one delegate remarking "we are putting together a workable package of decisions to be agreed on in Cancun." Others were concerned with the approach of developing decisions for Cancun, with one noting that "cherry picking issues for resolution in Cancun is dangerous, because then we may lose any incentive to reach a legally-binding agreement at a later stage."

Many participants were commenting on the "fireworks" over the groups' mandate in the morning's AWG-KP legal issues contact group. One party cheerfully noted "it's shame we didn't get anything done, but stay tuned."



## AWG-LCA 12 AND AWG-KP 14 HIGHLIGHTS: WEDNESDAY, 6 OCTOBER 2010

On Wednesday, various drafting groups convened under the AWG-LCA to consider shared vision, adaptation, mitigation, and finance, technology and capacity building. The AWG-LCA contact group convened in the afternoon to take stock of progress. Contact groups and informal discussions under the AWG-KP addressed potential consequences, Annex I emission reductions and other issues.

### AWG-LCA DRAFTING GROUPS

**SHARED VISION:** Discussions initially focused on the review to be undertaken. Facilitator Turesson invited parties to make textual proposals and encouraged them to limit such proposals to “visionary language” or principles, rather than operative language. Regarding the scope of the review, some parties said this should be limited to a review of the long-term goal, while others said it should also include a review of commitments and actions. On the content, parties proposed reviewing: current emissions, expected emissions trends, economic circumstances and evolving capabilities, and their implications for parties’ Convention responsibilities and obligations; and commitments and actions of both developed and developing countries. Parties also suggested that various issues should be considered when undertaking the review, such as: parties’ national circumstances and specificities; the goal of limiting temperature increase to specific levels; the principles of equity and common but differentiated responsibilities and respective capabilities; the historical responsibility of Annex I parties; developing countries’ need for economic and social development and poverty eradication; and the special circumstances of some groups of countries such as SIDS, LDCs and countries that depend on the production and consumption of fossil fuels. Parties also discussed the timing of the review, as well as what actions should be taken based on the review.

Parties then focused discussions on the shared vision text. On text referring to finance, technology and capacity building, several parties cautioned against pre-empting discussions in the other groups dealing specifically with these issues. Some parties preferred general text referring to these issues, containing, *inter alia*, the principles and vision relating to them. Parties then made various textual proposals for inclusion in the text.

### FINANCE, TECHNOLOGY AND CAPACITY

**BUILDING:** The drafting group met in the morning to discuss finance and capacity building.

On finance, parties considered whether to make reference to fast-start finance in a Cancun decision. Some parties preferred not to make this reference, noting that it is outside the mandate of the AWG-LCA, while others called for a separate

decision on fast-start finance, maintaining that it would provide information such as on channels, sources and the nature of fast-start finance. Several parties expressed flexibility on making a preambular reference to fast-start finance in a Cancun decision. Co-facilitator Gafoor invited parties to consult informally on the issue.

On capacity building, parties discussed: what a Cancun outcome on capacity building might look like; institutional needs; how capacity building is reflected throughout the AWG-LCA text; and the need for performance indicators. Parties generally agreed on the need to reflect capacity building in a Cancun outcome. Some countries highlighted the need for a stand-alone chapter on capacity building to capture emerging needs and issues omitted from other sections of the text, while other parties preferred to integrate capacity building throughout the text. Divergent views on the need for new institutions were expressed, with some highlighting existing institutions and voicing concern with the potential proliferation of institutions. Other parties attributed the gap between capacity building decisions and their implementation partly to the paucity of specific institutions responsible for implementation. On general performance indicators, some parties observed that they are not readily available for capacity building, emphasizing that project-based indicators would be more applicable. Consultations will continue.

**ADAPTATION:** Parties considered two options on support for developing countries for adaptation. Some parties preferred the option stating that developed countries shall provide developing countries with long-term, scaled-up, adequate, new and additional, predictable and grant-based finance, as well as support for technology, insurance and capacity building to implement adaptation actions. Other parties favored the second option urging developed countries to substantially scale up financial, technological and capacity building support for developing country adaptation efforts. Informal consultations on the issue will continue.

**MITIGATION (sub-paragraph 1(b)(i) of the BAP) (developed country mitigation):** In the drafting group, parties focused on how to move discussions forward. They addressed the possibility of clustering issues relating to developed country mitigation and discussing these separately in two spinoff groups. It was proposed that one cluster be on the inscription of developed country economy-wide targets or commitments, and include: the relationship to Kyoto Protocol targets and to the final agreed outcome under the AWG-LCA; mid- and long-term targets; the concept of graduation and inclusion into Annex I; and inscription of developed country targets or commitments. The other cluster would be on MRV for enhanced developed country mitigation action, and include: the focus of MRV;

general MRV provisions including the basis and structure of MRV, and comparability of efforts; compliance with targets or commitments; and a work programme on MRV.

Many parties supported clustering and addressing issues in this manner. Others objected, noting the cross-cutting nature of some of the issues and the difficulty of discussing them separately. Several parties preferred to discuss all the issues in a single group to ensure coherence. Some parties also objected to some of the issues listed for discussion. Consultations will continue.

#### **MITIGATION (sub-paragraph 1(b)(ii) of the BAP)**

**(developing country mitigation):** Parties focused on how to structure discussions, specifically on whether to establish spinoff groups, and the number and focus of these groups. Parties discussed the possibility of clustering issues into: issues relating to a registry and a mitigation mechanism, covering support for the design, preparation and implementation of NAMAs, MRV of supported actions and MRV of support, and recognition of mitigation actions; and MRV, covering national communications, GHG inventory and ICA. While some parties supported establishing two spinoff groups to discuss these issues separately, others preferred to discuss all the issues in a single group. Objections were also raised on discussing some of the identified issues. Parties were eventually able to agree on holding discussions in a single group.

#### **MITIGATION (sub-paragraph 1(b)(iii) of the BAP)**

**(REDD+):** Following discussions on how to move forward on options in the text, Co-Facilitator Rosland invited parties that had made new textual proposals in August to present their ideas. Parties discussed: how to address the issue of forests more holistically, including ecosystem services; the need for REDD+ to contribute to adaptation; and concerns that a REDD+ mechanism would create a new system of offsets. Parties then discussed the extent to which the earlier text addressed these concerns. Parties also presented views on the extent to which REDD+ should consider adaptation based on the BAP. Some expressed concerns over upholding sovereign rights to forests and several highlighted the importance of maintaining the environmental integrity of any market mechanism associated with REDD+. Co-facilitator Rosland noted that other parties' proposals would be considered in subsequent drafting group meetings.

#### **MITIGATION (sub-paragraph 1(b)(iv) of the BAP)**

**(sectoral approaches and sector-specific actions):** During discussions, a general framework for cooperative sectoral approaches and sector-specific actions to enhance the implementation of Convention Article 4.1(c) (technology transfer) was supported by some parties, who noted that it should be voluntary and consistent with the provisions and principles of the Convention. Several parties objected to this text, stating that it could constrain mitigation actions. Alternative text was proposed by some parties, outlining that sectoral approaches and sector-specific actions may be useful for parties to explore further. Facilitator Watt urged parties to undertake informal consultations in order to agree on compromise text.

#### **AWG-LCA CONTACT GROUP**

In the afternoon stocktaking contact group, drafting group facilitators reported on progress in their respective groups. AWG-LCA Chair Mukahanana-Sangarwe reported on consultations on countries with economies in transition and other countries with special circumstances. She said a possible way forward could be a decision specifically addressing the capacity building and financing needs of such countries and that she would prepare a draft decision reflecting this.

Chair Mukahanana-Sangarwe then presented a paper on "possible elements of the Cancun outcome," including shared vision, adaptation, mitigation, and finance, technology and capacity building, and invited parties to outline what Cancun can deliver and how to realize these objectives.

PERU, for a number of Latin American countries, outlined three key outcomes for Cancun, including a decision on legal form confirming the legally-binding nature of an AWG-LCA outcome, substantive decisions on "mature issues," and decisions on a programme of work for addressing unresolved issues. JAPAN called for extracting elements of the Copenhagen Accord for a balanced set of decisions. AUSTRALIA noted that progress on elements of a balanced package has "not been balanced." She underscored limited progress on mitigation, MRV and ICA.

EGYPT noted that results on elements such as bunker fuels and markets might not be achievable. PAKISTAN said elements should stem from the party-driven process rather than "exclusive consultations." VENEZUELA, with SOUTH AFRICA, emphasized that balance cannot be achieved without an outcome under the AWG-KP. CHINA underscored the importance of fast-start finance as a deliverable from Cancun and emphasized the importance of guidelines for reporting and operational elements to enable distribution of funds.

SOUTH AFRICA said a possible outcome in Cancun could include an overarching decision on legal form of the outcome identifying elements of a comprehensive legally-binding agreement, as well as a set of substantive decisions to test implementation or readiness in areas where progress has been made, such as REDD+. He said part of the package must be a decision under the COP/MOP either adopting amendments to Annex B of the Kyoto Protocol or reflecting a commitment by Annex I parties to a second commitment period. He stressed that the outcome in Cancun must be framed in a way that advances elements of the BAP as building blocks towards a comprehensive legally-binding agreement to be adopted at a future date.

Switzerland, for the EIG, expressed support for the Chair's paper proposing elements of a possible outcome, stating that it reflects the elements of the BAP. He urged focusing on the issues identified in the paper in the remaining time in Tianjin. The EU urged more progress on issues such as mitigation commitments and pledges. Grenada, for AOSIS, called for a legally-binding agreement that would sit alongside a Kyoto Protocol second commitment period, stressing that "Cancun must not compromise the future." She welcomed the Chair's paper, expressing satisfaction with some elements of it, such as elements on adaptation.

TUVALU called for clarity on the purpose of the text on shared vision and said a Cancun outcome must make explicit reference to a mandate to reach a legally-binding agreement. CUBA stressed that the shared vision goes beyond a long-term goal. On finance, he said the reference to "mobilization of long-term finance" is an "empty concept" and said it should reiterate the language in the BAP on provision of new, additional and predictable financial resources. NORWAY expressed satisfaction with "mature" elements such as REDD+, technology and finance in the Chair's paper and called for more progress on mitigation and associated MRV.

SAUDI ARABIA lamented the "pick and choose" approach of the paper, said it does not reflect the elements of the BAP and highlighted the party-driven nature of the AWG-LCA process. NEW ZEALAND expressed willingness to work with the Chair's paper, noting that some elements require further elaboration, such as establishment of a new fund and details of ICA. The RUSSIAN FEDERATION described the Chair's paper as a useful starting point for extracting elements for decisions in Cancun. Noting that Cancun would not be the "final word," BRAZIL called for simple decisions that capture the essence of the different issues.

The US underlined that an agreement already exists which addresses most of the issues being discussed, and called for discussions to be based on the Copenhagen Accord. He said issues such as mitigation and transparency require further discussion in spinoff groups, while issues such as technology, which have almost been agreed on, do not need to be taken up in spinoff groups. The US also emphasized that its commitment is not contingent on movement of domestic legislation.



INDIA stressed that the possible elements of a Cancun outcome should emerge from ongoing discussions in the drafting groups and that efforts to make progress should consider these discussions. SINGAPORE underscored that a Cancun outcome must: address the legal form and the need for a legally-binding agreement; and not hasten the “demise” of the Kyoto Protocol, but rather send a clear political signal regarding its continuation. MEXICO said a Cancun outcome must be able to deliver immediate action for implementing the Convention and Protocol, and should constitute a building block towards reaching a legally-binding agreement. Several parties highlighted the need for reference to the legally-binding nature of an AWG-LCA outcome.

VENEZUELA proposed that parties discuss the Chair’s paper in their regional groups and provide feedback to the drafting group facilitators in order to reach a consensual party-driven list. COLOMBIA said the Chair should work with the drafting group facilitators to prepare draft decision texts to facilitate discussions. AWG-LCA Chair Mukahanana-Sangarwe invited parties to continue working towards a compromise in their various drafting groups.

#### AWG-KP CONTACT GROUPS

**POTENTIAL CONSEQUENCES:** In the morning, Co-Chair Buendía requested parties to focus on options in the text to either create a permanent forum to address potential consequences or use existing channels, such as national communications.

ARGENTINA emphasized that establishing a forum is fundamental to address compliance by Annex I parties with their obligations under Protocol Articles 2.3 (adverse impacts of policies and measures) and 3.14 (adverse effects). SAUDI ARABIA said the forum is necessary because Annex I parties have not reported on potential consequences in their national communications, while NEW ZEALAND underscored that Annex I parties were not required to report on potential consequences until their fifth national communications, which have just been completed and reviewed. In response, SAUDI ARABIA stressed that Annex I parties were obligated to report on potential consequences from their first national communications.

SUDAN said the forum would also provide a platform for operationalizing what is reported in national communications. NEW ZEALAND noted that information reported in national communications is already operationalized because Annex I parties are reporting on the ways they are implementing their policies to avoid potential consequences. On the review function of the proposed forum, she emphasized that the SBI already has a mandate to review national communications.

SWITZERLAND underlined that Annex I parties’ obligation is to “strive” to minimize impacts of policies and measures and that a process imposing restrictions on how sovereign countries create and implement policies is unadvisable. He noted the lack of a clear mandate or terms of reference for the proposed forum.

**LULUCF:** AWG-KP Vice-Chair Macey described progress on discussions on reviewing reference levels, *force majeure* and harvested wood products (HWPs), as well as agreement on deleting the option of including HWPs under the CDM. On forest management accounting, TUVALU presented an option on net-net accounting relative to an average over the previous commitment period or periods. The EU said this proposal would reduce long-term incentives for actions. NEW ZEALAND and INDIA expressed concern that averaging over a commitment period does not reflect long-term forestry cycles.

BELARUS said the proposal is helpful for estimating whether parties are reaching a target. AUSTRALIA underscored the central importance of transparency regardless of which option is chosen. CLIMATE ACTION NETWORK preferred a historical baseline and said projected baselines allow parties to hide increased emissions from forest management, though this could be improved with the use of historical harvest rates. TUVALU questioned whether “we are reflecting what the atmosphere sees or creating incentives for industry.”

On the base year for additional activities, PAPUA NEW GUINEA noted the challenge of using 1990 due to inadequate data and the EU said that incentives will depend on whether the reference level is fixed in time or is tracked through periods. He highlighted that a single base year is not politically feasible. NEW ZEALAND supported a 1990 base year for all activities. BELARUS underscored that the reason for a base year is to reduce perverse incentives.

On accounting for wetlands, BELARUS noted an upcoming IPCC workshop on wetlands that will report to the SBSTA. BRAZIL cautioned that if accounting is voluntary, parties with net-draining will not account for wetlands while parties with rewetting will. TUVALU expressed concern about accounting crossover between wetlands, cropland and grazing land, and the EU cautioned against the potential for double counting. BELARUS said these concerns are addressed under the definitions. CLIMATE ACTION NETWORK called for addressing data quality so that wetland accounting can become mandatory. BELARUS and SWITZERLAND said voluntary accounting is better than not accounting for wetlands at all. BRAZIL questioned how non-CO2 emissions from wetlands will be considered. SWITZERLAND underscored that parties are moving toward full carbon accounting.

#### AWG-KP INFORMAL GROUPS

**ANNEX I PARTIES’ FURTHER COMMITMENTS:** In the morning informal consultations, parties continued discussion on the carryover of surplus AAUs. Parties addressed in detail the options in the Secretariat’s paper on options for addressing carryover of surplus AAUs to the second and subsequent commitment periods, as well as other party proposals, such as: raising ambition; not carrying over surplus AAUs; capping AAU carryover; and imposing a levy on carryover of AAUs.

**OTHER ISSUES (Basket of Methodological Issues):** In the afternoon informal consultations, parties discussed proposals for reporting on new gases, the relevance of including existing gases in the text and consistency with Annex A of the Kyoto Protocol. One party highlighted differences between reporting on actual versus potential emissions. On options for supplementary LULUCF methodologies based on IPCC good practice guidance, some parties suggested addressing this in the LULUCF group and several noted the risks of not agreeing rules prior to a commitment period. Parties also discussed streamlined text on base years.

#### IN THE CORRIDORS

A frenzy of activities characterized Wednesday, with delegates rushing between meeting rooms, as drafting groups under the AWG-LCA met in the morning and afternoon. This buzz, according to one observer, did not appear to result in much movement, with most of the deliberations centering on “discussing how to discuss.” “Nothing is happening and there are now more political games than real actions,” she noted. “I wish that we could just all open our eyes to what we need to do,” opined another negotiator going on to draw an analogy between the descending smog over Tianjin and the lack of clarity regarding the trajectory towards a constructive outcome in Cancun.

Others were more sanguine as they exited the AWG-LCA stocktaking contact group, despite many delegates lamenting a lack of progress. “Some elements of a deal are now emerging and it was useful to see how parties expect all of the essentials to fit together,” remarked one delegate.

On the AWG-KP side, delegates commented on “constructive discussions” during informals on the basket of methodological issues and in contact groups on LULUCF and potential consequences, while others expressed frustration with the numbers discussions, lamenting that they seemed to be “going around in circles.” “We know we are getting to crunch time when key political decisions will have to be made,” commented one determined negotiator, “so we need to forge ahead.”





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## AWG-LCA 12 AND AWG-KP 14 HIGHLIGHTS: THURSDAY, 7 OCTOBER 2010

On Thursday, various drafting groups convened under the AWG-LCA to consider shared vision, adaptation, mitigation, and finance, technology and capacity building. Contact groups and informal discussions under the AWG-KP addressed potential consequences, legal matters, Annex I emission reductions and LULUCF.

### AWG-LCA DRAFTING GROUPS

**SHARED VISION:** Discussions continued with parties proposing text on the technology, finance, capacity building and international trade sections of the shared vision text and providing clarifications on some of these proposals. Parties were able to complete the first reading of the entire text, pending additional textual proposals by some parties. Consultations will continue.

### FINANCE, TECHNOLOGY AND CAPACITY

**BUILDING:** On capacity building, Co-facilitator Goote highlighted areas of convergence, including the crucial role of capacity building in enabling countries to implement their Convention commitments, as well as the need to: enhance the current framework; reflect capacity building in a Cancun outcome; avoid gaps by ensuring that all capacity-building issues are addressed; reflect inter-linkages between capacity building and other thematic areas; and ensure that capacity building decisions are fully and effectively implemented. Parties were then invited to provide input into a paper produced by the Secretariat highlighting references to capacity building in the AWG-LCA negotiating text, aimed at identifying gaps. Some parties expressed concern with the paper, observing that these references are from text that is not agreed and therefore should not form the basis for the group's work. They also called for a focus on areas such as: a technical panel on capacity building; its terms of reference or mandate; and the scope of capacity building. Other parties welcomed the paper as a useful tool.

On technology, parties shared views and perspectives on the proposed climate technology centre and network (CTCN). Divergent views were expressed on whether this mechanism should be established within or outside the Convention. Some parties also reiterated that the technology executive committee (TEC) and CTCN should be unconnected parallel bodies and the need for coherence in the TEC and CTCN mandates was

also emphasized. Parties also considered revised draft text on the composition and mandate of the TEC, making textual amendments and proposals. Discussions will continue.

**ADAPTATION:** Facilitator Kumarsingh invited parties to consider how to proceed with discussions. Some parties reported that they had undertaken internal consultations within their respective groups and had prepared texts such as on institutional arrangements. Other parties said that they still needed time to coordinate within their groups. Revised text will be discussed on Friday.

**MITIGATION (sub-paragraph 1(b)(i) of the BAP (developed country mitigation):** Co-facilitator Muyungi explained that following consultations, all issues would be discussed in a single drafting group and he invited parties to focus on the first cluster on inscription of developed country mitigation targets or commitments. Several parties highlighted elements that must be reflected in a Cancun outcome, including: continuation of the Kyoto Protocol; comparability of efforts; and intention to work towards a legally-binding agreement. Many parties supported the idea of "capturing" developed countries' pledges in a decision in Cancun, provided there is reference to this being without prejudice to the legal form. Some said such a decision should also include reference to the fact that the current pledges are insufficient. Regarding what should be inscribed, some parties said this should be limited to Annex I countries not party to the Kyoto Protocol. Others said it should include all Annex I countries, while others preferred inscribing the pledges of all countries, both Annex I and non-Annex I, in a Cancun outcome.

**MITIGATION (sub-paragraph 1(b)(ii) of the BAP (developing country mitigation):** Co-facilitator Rosland requested parties to focus on the registry/mitigation mechanism, specifically issues relating to support for design, preparation and implementation of NAMAs, which are addressed in paragraphs 29<sup>ter</sup>, 30<sup>bis</sup> and 44 of the draft text (FCCC/AWGLCA/2010/14). He also requested parties to suggest ways of merging these paragraphs. Some parties expressed concern that some of the issues in these paragraphs relate to the financial architecture, which they stressed should be addressed by the finance group. Parties then discussed the possible structure and functions of the registry and the mitigation mechanism. Disagreement remained on the functions of the registry, specifically whether it should be used to record all NAMAs of developing countries, both supported and autonomous. Some countries preferred recording all NAMAs in an appendix to a legally-binding instrument and

limiting the registry to record only supported NAMAs. Other parties said the registry should be used to record supported NAMAs only and to match actions with support, and that a system for recognizing autonomous NAMAs on a voluntary basis could be decided at a later stage. Some parties also highlighted that the registry should have an advisory or assessment role. Regarding the nature of support, several parties highlighted that this should include technical, financial and capacity-building support. Some parties suggested conducting discussions on these specific issues in a smaller working group, but there was no agreement on this. Consultations will continue.

**MITIGATION (sub-paragraph 1(b)(iv) of the BAP) (sectoral approaches and sector-specific actions):** On bunker fuels, parties considered textual proposals on: the need to reduce emissions from shipping and aviation; the roles of the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO); an invitation to ICAO and IMO to report on their work to the COP; and the use of revenue collected from shipping and aviation for emission reductions.

Facilitator Watt then invited parties to discuss agriculture. Some parties highlighted that a successful outcome in Cancun on agriculture should: enhance the implementation of Article 4.1(c) of the Convention (technology transfer); respect the relevant provisions and principles of the Convention; and promote a supportive and open international economic system.

Parties also considered the text on agriculture, with several expressing their preference for reverting to the text tabled in June. Facilitator Watt noted that she would consult with the parties who had proposed the changes, and would propose text based on the outcomes of these consultations.

#### **AWG-KP CONTACT GROUPS**

**POTENTIAL CONSEQUENCES:** Parties continued discussion on either creating a forum to address potential consequences or using existing channels. The EU, CANADA, NEW ZEALAND, AUSTRALIA, SWITZERLAND and the RUSSIAN FEDERATION reiterated their preference for making use of existing channels such as national communications and the SBI, while ARGENTINA, SAUDI ARABIA, SUDAN and CHINA supported establishing a new forum for exchanging information and facilitating dialogue. ARGENTINA emphasized the need to centralize all available information in a forum. SAUDI ARABIA said the proposed forum should operate as cost-effectively as possible by convening two meetings a year in conjunction with the SBI.

**LEGAL MATTERS:** In the morning, Co-Chair Loibl reported on consultations on how to proceed with discussions and noted possible emerging consensus around which areas of the Chair's text (FCCC/KP/AWG/2010/CRP.2) could be discussed. He suggested setting aside elements of option B, in particular section Y on entry into force of amendments and section S on privileges and immunities, and solicited views on which sections to address first.

Brazil, for the G-77/CHINA, with SUDAN, BOLIVIA and EGYPT, said discussions should focus only on issues within the mandate of the AWG-KP, in particular the amendment of Protocol Article 3.9 (Annex I parties' further commitments) and consequential amendments. He emphasized that option B is not within the mandate of the group and that it could be discussed under the COP/MOP.

The FEDERATED STATES OF MICRONESIA said parties should focus on amendment of Article 3.9 and consequential amendments, as well as options under option B that represent "sticky legal issues," such as carryover of surplus AAUs, a

possible review process for emission reduction targets and improvements to project-based mechanisms, such as share of proceeds.

AUSTRALIA, with NEW ZEALAND and SWITZERLAND, stressed that all options in the text pertain to a second commitment period and emphasized that as they prepare to take on obligations for economy-wide emission reductions, they require clarity on what these commitments would entail. AUSTRALIA underscored that option A is being discussed in the numbers group and that blocking discussion of all options is effectively blocking progress in the AWG-KP. NEW ZEALAND lamented the inconsistency in arguing for a narrow mandate in terms of defining what is or is not a consequential amendment.

The EU, with NORWAY, noted their willingness to engage in discussions on entry into force and expressed concern with those taking a "narrow view of the mandate." The EU said leaving these issues for the COP/MOP would not ensure enough time for these discussions.

BRAZIL said the attempt to reopen discussion of all elements of the Kyoto Protocol is an "attempt to kill the Kyoto Protocol." AUSTRALIA noted that there is no point continuing discussions in the numbers group if discussions on option B are not undertaken, due to the need for legal certainty on their proposals.

GHANA, supported by BENIN and BANGLADESH, proposed a way forward, including discussion of option A, followed by discussion of issues in option B that, as identified by the Secretariat, flow directly from the amendment of Annex B, and concluding with discussions on other issues raised in option B. SWITZERLAND noted the need to ensure adequate time to cover all issues in option B. BRAZIL said any discussion outside of the mandate is a "waste" of the group's time. The FEDERATED STATES OF MICRONESIA suggested using the procedure followed by the other issues group, in which those who do not wish to engage in discussion on certain issues refrain, while those wishing to discuss their proposals do.

In the afternoon, Co-Chair Ortega said further consultations on the proposal by Ghana would be undertaken. SWITZERLAND proposed that AWG-KP Chair Ashe come to the group to address the issue of mandate. BRAZIL opposed discussion of amendments to Article 21 (entry into force). CHINA emphasized that parties, rather than the Secretariat, should decide which proposals are consequential amendments and which are not. BRAZIL said proposals in option B are non-consequential amendments and therefore outside of the group's mandate. The EU rejected the notion that option A contains consequential and option B contains non-consequential amendments.

The Secretariat said a request to identify consequential amendments would put the Secretariat in a "very difficult position." He noted that the previously-issued document (FCCC/KP/AWG/2009/3) identified articles that would need to be amended to achieve coherence but noted that the document does not mention Article 4.2 or 4.3 (joint fulfillment of commitments) which might also be considered consequential.

CHINA, supported by BRAZIL and BOLIVIA, said clarifying the mandate of the legal matters group was necessary in order to continue discussions. NEW ZEALAND expressed frustration that the numbers group had spent considerable time discussing carryover of AAUs, which the group deemed necessary for the construction of a second commitment period, but that in the legal matters group, parties refused to discuss textual proposals related to AAUs because the proposals are in option B. She called for discussing option A and then moving on to address the "sticky legal issues" in option B. The FEDERATED STATES OF



MICRONESIA noted that some unresolved elements in Annex B amendment proposals, such as the use of “European Union” versus “European Community” are resolved by proposals in option B. SWITZERLAND called for the engagement of the AWG-KP Chair on this issue.

AWG-KP Chair Ashe noted that COP/MOP 5 charged the AWG-KP to engage in discussions based on the report of the COP/MOP, which contained the proposals before parties today. He requested parties to discuss the submissions even if they were not their own, emphasized this does not imply that parties will reach consensus and asked parties to give each other “the simple respect of listening” to each other’s proposals and the rationale behind them.

BRAZIL said the first matter that must be addressed is the mandate of the AWG-KP. CHINA and INDIA emphasized that the Chairs’ proposal for substantive discussions on legal matters is outside the mandate of the AWG-KP.

The Federated States of Micronesia, for AOSIS, supported by the EU and NEW ZEALAND, welcomed the Chairs’ proposal to discuss all options. Addressing the AOSIS proposal on length of the commitment period in option B, she emphasized that the issue is not addressed in Annex B and therefore requires a consequential amendment.

AWG-KP Chair Ashe highlighted that the short explanation by AOSIS of their proposal has demonstrated its relevance to the amendment of Annex B. He said he would conduct further informal consultations on the matter and report to the group at its next meeting. CHINA said there was no consensus on holding further meetings of the contact group on legal matters in Tianjin.

#### **ANNEX I PARTIES’ FURTHER COMMITMENTS:**

In the afternoon, the AWG-KP numbers group began with discussion of the options related to Article 3.1 of the Kyoto Protocol (quantitative emission reduction commitments), with the Secretariat presenting a paper on parameters for overall emission reductions by Annex I parties, including: percentage; base year; first and last years of the commitment period; end year; and other factors. CROATIA said that “per adoption by the COP” should be included as an option for base year. AUSTRALIA preferred the option of “at least X% below 1990 levels.” He said they could consider a 1990 base year as long as parties can inscribe reference years. The EU emphasized a collective target to reduce emissions by 30% below 1990 levels by 2020 and by 80-90% by 2050.

On base year, Co-Chair Lefevere reported on consultations and noted emerging consensus to have a single common year as the basis for establishing international legal commitments in the second commitment period. He also highlighted the desire of a number of parties to reflect a year that represents the base year for their domestic targets. CROATIA said parties should have different base years, but for the sake of comparability a 1990 reference year could be set. The FEDERATED STATES OF MICRONESIA called for keeping the 1990 base year. CANADA said their legal commitment would need to be consistent with the Copenhagen Accord, which uses a base year of 2005.

Co-Chair Lefevere also presented an option to streamline the presentation and improve comparability of Annex B amendment options in the text, which would move the headers and footers of the three tables in the options to a single page and reflect the list of countries inscribed in the tables on a second page.

#### **AWG-KP INFORMAL GROUPS**

**OTHER ISSUES (LULUCF):** Several parties made a presentation on proposed reporting and review steps for *force majeure* exclusions in forest management accounting, as well as a hypothetical example. They stressed that although *force majeure*

emissions would be excluded from accounting, they would still be reported on. Some parties stressed that if a country uses *force majeure* events in the construction of reference levels, it should not be allowed to use the exclusion. Others questioned whether *force majeure* would be used for single events or cumulative disturbances, and cautioned against low threshold levels that would allow most disturbances to be excluded. Some parties noted the challenges of differentiating between natural and anthropogenic disturbances on managed land, particularly when some managed lands are inherently more prone to experiencing large disturbances, such as fire or pest outbreaks. Parties expressed divergent views on how to account for non-CO2 emissions from *force majeure*.

In the afternoon, discussions continued on *force majeure* with some countries suggesting the need to readdress the definition. Parties also briefly considered how to proceed on discussing guidelines for the submission and review of information on reference levels.

#### **IN THE CORRIDORS**

As delegates trickled out of the lunchtime briefing by the UN Secretary-General’s High-Level Advisory Group on Climate Change Financing, many expressed frustration at the lack of new details. “We understand that the last meeting of the group is next week and that no members of the panel could make it today, but we were at least hoping for an idea of what they have done so far,” commented one delegate. “The presentation focused so much on what the mandate of the group does not cover,” lamented one observer, “that I’m now not sure what the group has been able to address.”

Some excitement was generated by the prospect of a parties’ intended circulation of text on a potential Cancun package, and various delegates could be overheard contemplating the possible content of such a text. “This is at least giving us the opportunity to see the potential give-and-take across the building blocks,” noted one party. Some were cautiously optimistic that compromises would be made and that this would help to create momentum for Cancun. As one eager delegate put it, “after almost three years of negotiating, I can’t return to my capital at the end of Cancun with nothing to show.”

Under the AWG-LCA, several parties noted that the various facilitators were working “very hard” to keep spirits high and discussions flowing, and that this seemed to be achieving modest success. A few of the groups had produced new, although still bracketed, draft decision texts, and others envisaged producing texts within the next day. “It appears we may be leaving here with something, which certainly bodes well for Cancun,” enthused one relieved delegate. However, others commented that they had actually taken several steps backwards in their groups and envisaged leaving with even bulkier text than they had arrived with. Another delegate commented on the new mantra of the process going into Cancun, “nothing is agreed until something is agreed.” Pessimism was reinforced by delegates emerging from the second AWG-KP legal matters contact group, with one observer lamenting “they are back to discussion of the AWG-KP mandate. Yet the bottom line is that without discussion of some of the important substantive issues, there is no way to reach agreement in Cancun.”



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- ▶ **Copenhagen Business Day**, 11 December 2009, Copenhagen, Denmark
- ▶ **East Asian Seas (EAS) Congress 2009**, 23-27 November 2009, Manila, Philippines
- ▶ **Country-led Initiative by the People's Republic of China in Support of the UN Forum on Forests: Forests for People: The Role of National Forest Programmes and the Non-Legally Binding Instrument on All Types of Forests**, 17-20 November 2009, Guilin, China
- ▶ **World Summit on Food Security**, 16-18 November 2009, UN Food and Agriculture Organization (FAO) Headquarters, Rome, Italy
- ▶ **XIII World Forestry Congress (WFC 2009) and Pre-Congress Workshop on Regional Forest Cooperation**, 17-23 October 2009, Buenos Aires, Argentina
- ▶ **Special Information Seminar - "Policies and Arrangements for Access and Benefit-sharing for Genetic Resources for Food and Agriculture"**, 17 October 2009, FAO Headquarters, Rome, Italy
- ▶ **Global Renewable Energy Forum - "Scaling up Renewable Energy"**, 7-9 October 2009, León, Mexico
- ▶ **Second Ad Hoc Intergovernmental and Multi-stakeholder Meeting on an Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES-II)**, 5-9 October 2009, UN Environment Programme (UNEP) Headquarters, Nairobi, Kenya
- ▶ **Seventieth session of the UN Economic Commission for Europe Committee on Housing and Land Management**, 23-25 September 2009, Geneva, Switzerland
- ▶ **International Conference on Green Industry in Asia: "Managing the transition to resource-efficient and low-carbon industries"**, 9-11 September 2009, Manila, Philippines
- ▶ **Expert Panel on Ocean Acidification**, 3 September 2009, UN Headquarters, New York, US
- ▶ **World Climate Conference-3**, 31 August - 4 September 2009, Geneva, Switzerland
- ▶ **International Hydropower Association (IHA) World Congress 2009**, 23-26 June 2009, Reykjavik, Iceland
- ▶ **International Energy Conference 2009**, 22-24 June 2009, Vienna, Austria
- ▶ **Second Session of the Global Platform for Disaster Risk Reduction**, 15-19 June 2009, Geneva, Switzerland
- ▶ **High-level Conference on Carbon Capture and Storage**, 27-28 May 2009, Bergen, Norway
- ▶ **World Ocean Conference**, 11-15 May 2009, Manado, Indonesia
- ▶ **Dialogue on Climate Change Adaptation for Land and Water Management**, 16-17 April 2009, Nairobi, Kenya
- ▶ **International Policy Dialogue on Financing the Climate Agenda: The Development Perspective**, 19-20 March 2009, Berlin, Germany
- ▶ **5th World Water Forum**, 16-22 March 2009, Istanbul, Turkey
- ▶ **Third International Workshop on Community-Based Adaptation to Climate Change**, 18-24 February 2009, Dhaka, Bangladesh
- ▶ **Meeting of the Pew Commission on Whale Conservation in the 21st Century**, 9-10 February 2009, Lisbon, Portugal



## AWG-LCA 12 AND AWG-KP 14 HIGHLIGHTS: FRIDAY, 8 OCTOBER 2010

On Friday, various drafting groups convened under the AWG-LCA to consider shared vision, adaptation, mitigation, and finance, technology and capacity building. Contact groups and informal discussions under the AWG-KP addressed potential consequences, LULUCF, mechanisms and Annex I emission reductions. The AWG-KP also met in an informal plenary in the afternoon to discuss elements of a balanced outcome in Cancun.

### AWG-LCA DRAFTING GROUPS

**SHARED VISION:** Discussions focused on the structure and content of a decision on shared vision. Some parties suggested a framing paragraph setting out the context for a shared vision and made textual proposals in this regard. In terms of the content, several parties preferred to focus on the long-term goal for emission reductions, observing that this is the only element that can be agreed upon in Cancun. They maintained that other outstanding issues could be resolved next year and noted the possibility of agreeing on a process towards this in Cancun. Other parties emphasized that the purpose of a shared vision is to enhance the implementation of the Convention and that, therefore, all the proposed elements, including mitigation, adaptation, finance, technology and capacity building, must be addressed along with the global goal for emission reductions.

Some parties, opposed by others, proposed that the Co-facilitator prepare text to facilitate negotiations. Parties agreed that Co-facilitator Turesson will produce a “sheet of paper” containing headings, bullet points and references to relevant paragraphs from the negotiating text, and consultations will continue.

### FINANCE, TECHNOLOGY AND CAPACITY

**BUILDING:** The drafting group considered finance in the morning and technology in the afternoon. During discussions on finance, parties addressed long-term financing, MRV of support, the role of the Global Environment Facility (GEF) and expectations for Cancun. On the scale of long-term financing, many parties highlighted the need for new, additional, adequate and predictable finance, as well as assessed contributions derived mainly from public sources. Other parties cautioned against proposing “simplistic percentage figures” and looked forward to the outcomes of the UN Secretary-General’s High-Level Advisory Group on Climate Change Financing. On MRV of financial support, some parties advocated using and building on the existing national communications systems, rather than recording financial support provided to developing countries in a registry.

Some parties supported reaffirming the GEF as the operating entity of the financial mechanism, while others advocated further reform of the GEF to make it more responsive to the Convention. The need to link discussions on the role of the GEF with discussions on rationalizing the financial architecture was also raised.

On technology, parties considered the composition, operation modalities and procedures of the TEC and the mandate of the CTCN. Some parties cautioned against opening up previously-agreed text. Co-facilitator Goote said he would capture suggestions in an updated version. Parties briefly discussed intellectual property rights and Co-facilitator Goote noted that this text remained unchanged and will be revisited in Cancun.

**ADAPTATION:** In the morning, the drafting group discussed reporting. Some parties highlighted the need to: report activities undertaken and support provided and received for adaptation actions; and ensure transparency, mutual accountability and robust governance. Other parties stressed the need to report on support provided in order to identify insufficiencies and discrepancies in support, and to provide information on experiences and lessons learned. Parties also considered revised text on national level institutional arrangements.

In the afternoon, parties discussed institutional arrangements for adaptation and considered a proposal for an adaptation committee and its functions. Other parties insisted on using existing institutions and expertise under the Convention, while recognizing the work undertaken by other bodies.

**MITIGATION (sub-paragraph 1(b)(i) of the BAP) (developed country mitigation):** In the morning, the drafting group discussed: the concept and criteria for graduation of countries into Annex I; inscription of targets for developed countries; language and focus of MRV for developed countries; and compliance.

Many parties objected to the discussion of graduation, stressing that it is not part of the BAP and therefore not within the AWG-LCA’s mandate, also pointing out that the Convention already allows countries to voluntarily join Annex I. Some parties also stressed that graduation does not fall into the category of what can be achieved in Cancun. Others pointed to the improved economic circumstances of many countries since 1992 when the Convention was agreed and said this should be reflected. Some parties proposed differentiated obligations and commitments for developing countries instead of graduation.

On inscription of targets, some parties highlighted the need to discuss both the nature of commitments and the relationship between Kyoto Protocol Annex I countries and non-Kyoto Protocol Annex I countries, in order to ensure coherence and comparability of commitments. Several parties stressed that the approach should be top-down and involve commitments rather



than targets, while others said a bottom-up approach is more practical. Some parties also supported a decision in Cancun that begins the process, recognizes pledges and encourages parties to increase their ambition. They stressed that such a decision would only be an interim step towards a legally-binding agreement that captures developed country mitigation commitments and developing country actions in a differentiated manner. Others stressed that the commitments of all major economies, not just of Annex I countries, should be inscribed in a decision in Cancun.

**MITIGATION (sub-paragraph 1(b)(ii) of the BAP) (developing country mitigation):**

Discussions in the drafting group focused on national communications and ICA, addressed in paragraphs 28 to 43*septies* of the negotiating text. Co-facilitator Rosland asked parties to suggest ways of streamlining the text and to identify issues that can form part of a Cancun decision. Many parties highlighted the need for more frequent and comprehensive reporting by non-Annex I countries, underlining that this is crucial for a balanced outcome in Cancun. Parties reiterated various proposals for achieving this, including: reporting of all mitigation actions, both supported and autonomous; domestic and international MRV and ICA of supported actions, and domestic MRV and ICA of autonomous actions; and domestic reporting and verification of autonomous actions, and domestic reporting and international verification of supported actions. In terms of what should be reported, some parties said all NAMAs should be reported, with differentiation between the mode of reporting for supported and autonomous NAMAs. Others stressed that only supported NAMAs should be subject to any form of MRV or ICA.

Some parties highlighted that the focus of discussions should be on support for development and implementation of NAMAs, rather than on MRV of NAMAs, noting that without adequate support, NAMAs will not be implemented and there would be nothing to MRV. Several parties said the agreed full costs of any additional obligation must be provided. Other parties also objected to some of the issues in the current negotiating text, such as the issue of low-emission development strategies and plans, saying this concept is not part of the Convention or the BAP.

Regarding the content of a Cancun outcome, some parties suggested agreement on the basic idea of enhanced reporting of actions and a system to facilitate dialogue and exchange information, leaving the operative details to be agreed on next year. Discussions will continue in a spinoff group facilitated by Co-facilitator Rosland.

**MITIGATION (sub-paragraph 1(b)(vi) of the BAP) (potential consequences of response measures):** Parties continued consideration of the negotiating text. Language on recognizing the importance of meeting the specific needs and concerns of developing countries arising from the impact of the implementation of response measures taken by developed countries was bracketed. A proposal on requiring international consensus on measures that would have an effect on international trade, in particular on developing country exports, was also bracketed. A proposal on ensuring that climate change trade-related measures taken by developed countries do not transfer the burden of climate change mitigation to developing countries or limit their social or economic development was also bracketed.

**AWG-KP CONTACT GROUPS**

**ANNEX I EMISSION REDUCTIONS:** In the contact group, Co-Chair Lefevre highlighted that the purpose of the meeting was to discuss how ideas and proposals in the other issues group affect the numbers. AUSTRALIA requested an update on AWG-KP Chair Ashe's consultations on legal matters and noted the centrality of clarifying legal options on the rules. Co-Chair Lefevre responded that consultations were still ongoing.

On LULUCF, Co-facilitator Iversen noted advances on treatment of *force majeure* and harvested wood products (HWP), limitation of HWPs under the CDM, and a review process

for forest management accounting reference levels. The EU, supported by NEW ZEALAND, ICELAND and others, reiterated the importance of fixing LULUCF rules before agreement on further commitments. The Federated States of Micronesia, for AOSIS, expressed continued concern with implications of LULUCF proposals for accounting and transparency and stressed the need to consider quantitative impacts of the proposals. NEW ZEALAND underscored that if there is a significant change of rules, it would have to recalculate its target.

The FEDERATED STATES OF MICRONESIA noted concerns with the quantitative ambition and environmental integrity of pledges and said proposals would be submitted on carryover of AAUs, the second sentence of Article 3.2 (base year LULUCF emissions) and Articles 3.3 and 3.4 (LULUCF). NEW ZEALAND suggested that some of these proposals would likely require amendments to the Kyoto Protocol.

On the flexibility mechanisms, AWG-KP Vice-Chair Macey described discussions on carbon capture and storage (CCS) and the CDM, standardized baselines, new market mechanisms, discount factors on issuance of certified emission reductions and the carryover of surplus AAUs. On carryover, he raised the question of whether this is an issue for the numbers or mechanisms discussions. The EU highlighted the need to focus on the consistency of rules to ensure that new mechanisms are "firmly rooted" in the international system. NEW ZEALAND called on parties to resolve tensions between a "deep and fluid" carbon market and the use of markets to rectify other problems.

On the basket of methodological issues, Vice-Chair Macey highlighted work on new greenhouse gases and global warming potentials. The FEDERATED STATES OF MICRONESIA, supported by many others, suggested consolidating options for greenhouse gases under Annex A. NEW ZEALAND underscored the importance of addressing global warming potential, considering the large contribution of methane and nitrous oxide to her country's emissions profile.

In the afternoon, Co-Chair Lefevre presented eight documents including: a revision of the table presenting options to address the carryover of surplus AAUs; submissions containing parties' views on the Chair's text (FCCC/KP/AWG/2010/MISC.6); a proposal to represent the options table in Annex B to allow for comparison of the table headers; an Australian revision of its proposals in option B; a proposed revision of options on new gases in the text based on the outcomes of discussions under the other issues contact group; an Australian proposal on AAUs; an AOSIS proposal on AAUs and LULUCF crediting; and a proposal by the Co-Chairs to reduce text duplicated in both option A and option B. Parties then worked through the text to integrate each of the proposals into the Chair's text. Parties noted that while consistency between option A and option B might be useful, they expressed concern that removing duplicate text in the two options may lead to further confusion. In the evening, parties continued working through the text to insert party proposals.

**POTENTIAL CONSEQUENCES:** Parties continued their consideration of options for establishing a permanent forum or using existing channels. Co-Chair Buendía noted that the word "forum" has legal connotations in some languages and that perhaps another name would resolve some of the disagreement. SAUDI ARABIA, with the EU, called for addressing function prior to the issue of a name. The EU asked for clarification on what the "evaluation" function of the proposed permanent forum would entail. Co-Chair Buendía said party submissions, including possible text and clarifications on the proposals in the Chair's text, would be made available online prior to Cancun.

**AWG-KP INFORMAL GROUPS**

**FLEXIBILITY MECHANISMS:** In consultations on the flexibility mechanisms, parties discussed the regional distribution of CDM projects, supplementarity, carryover of AAUs and share

of proceeds. Textual proposals were made on each item and parties were asked to continue work informally on these issues to streamline the text.

**LULUCF:** In afternoon consultations, parties discussed proposals on establishing forest management reference levels by averaging over commitment periods, timing related to developing supplementary methodologies and the proposal for a review of submissions on forest management reference levels. Some parties expressed concern that the proposal on the review process implies a gap between commitment periods, while others said they do not anticipate such a gap. They highlighted that the review process will ensure transparency in the setting of QELROs. Parties considered the consequences of the review process in the event of inconsistent results. Parties also discussed potential procedures related to the proposed review process. In the evening, Co-facilitator Iversen presented a non-paper highlighting updates to the text made in Tianjin.

#### **AWG-KP INFORMAL PLENARY**

AWG-KP Chair Ashe opened the informal plenary and asked parties to consider what would constitute a balanced package of decisions for Cancun under the AWG-KP.

Yemen, for the G-77/CHINA, expressed concern over “extremely slow progress” under the AWG-KP track and emphasized the need to avoid a gap between commitment periods. He said a balanced outcome for Cancun would contain an amendment of Annex B and definition of Annex I parties’ further commitments. Several parties highlighted the need for parties to commit to a second commitment period and to preserve the Kyoto Protocol. AUSTRALIA, the EU, NORWAY and SWITZERLAND emphasized the importance of framing Kyoto Protocol commitments in the context of a global legally-binding agreement. AUSTRALIA said that a Cancun outcome should capture progress and could include: an intention to work towards a second commitment period; text to serve as the basis for negotiations; a schedule; and clarity on rules, such as on LULUCF and the mechanisms.

The EU said a Cancun outcome could include inscription of reduction commitments, confirmation of the continuation of the Kyoto Protocol architecture and a work plan to move forward. He emphasized the importance of sending a strong signal on the continuity of the Kyoto Protocol institutions and mechanisms to the world. NORWAY noted the need to discuss and agree on the necessary parameters to take on commitments in a second commitment period, including legal matters. JAPAN emphasized that their participation in negotiations under the AWG-KP track is aimed at making progress on rules related to LULUCF, mechanisms and the basket of methodological issues, and that they expect these mechanisms to be part of a framework that includes all major emitters in a single, fair and effective agreement. NEW ZEALAND underscored that a final outcome must be ratifiable, stressed that rules must be agreed before commitments can be taken on, and noted that it is always necessary to “read the fine print before signing the contract.”

The Federated States of Micronesia, for AOSIS, called for consolidating the Kyoto Protocol foundation as part of the global climate change architecture. She said decisions should address: LULUCF accounting rules; surplus AAUs; new greenhouse gases; a clear path for increasing the emission reduction ambition of Annex I parties; and an unequivocal commitment to the Kyoto Protocol by Annex I parties. TUVALU lamented proposals for LULUCF that would create subsidies for the forest industry and noted that these would delay agreement on this issue in Cancun.

SOUTH AFRICA proposed an overarching decision covering both the AWG-LCA and AWG-KP negotiating tracks that would capture the elements of a complete climate change package, give parties assurance that they are working towards a two-track outcome and anchor elements under both tracks where progress has been made. The RUSSIAN FEDERATION said progress in the AWG-LCA track is not sufficient and highlighted that in the absence of certainty on a global agreement under the Convention,

they would be unlikely to support a second commitment period. Underscoring the need for continuity, INDIA emphasized that business and markets respond to mitigation policies and expect predictability; and therefore changes must be weighed against the scale of necessity.

The THIRD WORLD NETWORK urged parties to complete negotiations for a second commitment period by Cancun, cautioning against an inferior, deregulated and voluntary emission reductions regime. The INTERNATIONAL EMISSIONS TRADING ASSOCIATION noted “limited to no progress” on issues relating to improvements to the CDM and Joint Implementation and said investors still have no answer regarding a gap in the Kyoto architecture. The Carbon Markets and Investors Association, for BINGOs, stressed that in the absence of clear emission reduction targets, the business community needs, at least, clarity regarding the continued operation of the CDM before, during and after any second commitment period. Climate Action Network, for ENGOs, called for “sanity” in the LULUCF negotiations, encouraging Annex B parties to account for their emissions and not bring “a package of loopholes” to Cancun.

AWG-KP Chair Ashe then closed the informal plenary, noting that although there are still many differences among parties, there is still time between now and Cancun for consultations to resolve some of these differences.

#### **IN THE CORRIDORS**

The frenzied pace of negotiations continued unabated with only two negotiating days left before Cancun. Parties scrambled to finalize draft texts and ensure that their proposals are included. “I’m supposed to be in at least five places at the same time,” commented one harried negotiator, “and these numerous parallel sessions aren’t helping. It would be great to have texts ready to hand off to the plenaries on Saturday.” The direct effect of this was a multiplication of proposals and the gradual enlargement of the draft negotiating text in a few of the AWG-LCA drafting groups. Other groups strived to streamline text, with work on the Chair’s text in the AWG-KP numbers group continuing into the late evening to complete it for Cancun.

The AWG-KP informal plenary on a balanced outcome left many continuing to speculate on prospects for Cancun. “I can count at least a handful of different definitions of the term ‘balanced,’ all of which emphasize country or regional positions and highlight existing differences of opinion among parties,” lamented a seasoned observer. Others came away with a more optimistic view, with one pointing out that “at least now we understand what different groups envisage - we just need to work on bridging the gaps between them.”

Despite having only convened once in a drafting group during the week, many REDD+ delegates have, nevertheless, been extremely active on the sidelines, as the REDD+ Partnership, a group of 68 donor and recipient countries, held informal meetings. “We’re trying to establish procedures, develop a work programme and define stakeholder participation,” commented one weary delegate emerging from Friday’s late night session. She continued, “we are bringing our ministers to the meeting in Nagoya at the end of the month and want to make sure we have a partnership worth showing off during the Biodiversity COP.”

**ENB SUMMARY AND ANALYSIS:** The *Earth Negotiations Bulletin* summary and analysis of the Tianjin climate change talks will be available on Tuesday, 11 October 2010 online at <http://www.iisd.ca/climate/ccwg12/>





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## SUMMARY OF THE TIANJIN CLIMATE CHANGE TALKS: 4-9 OCTOBER 2010

Delegates met in Tianjin, China from 4-9 October 2010 for the twelfth session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the UN Framework Convention on Climate Change (AWG-LCA 12) and the fourteen session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 14). Over 2305 participants, including government delegates, observer and intergovernmental organizations and from the media, attended the meeting. This was the last meeting of the AWGs before the sixteenth session of the Conference of the Parties (COP) and the sixth session of the COP serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP) in Cancun, from 29 November - 10 December 2010.

The AWG-LCA considered the negotiating text circulated in August 2010 (FCCC/AWGLCA/2010/14). The text encompasses the key aspects of the Bali Action Plan (BAP) (decision 1/CP.13), namely a shared vision for long-term cooperative action, mitigation, adaptation, finance and technology, as well as capacity building. The meeting focused in particular on those issues that lend themselves to resolution in the time available, bearing in mind the need to achieve balance. Parties conducted their work by attempting to find areas of convergence on these issues and to streamline the text. Outputs comprise draft texts and notes from the drafting group facilitators and these will be incorporated into an information document to be prepared by the Secretariat. The AWG-LCA negotiation text will still remain the basis for negotiations in Cancun.

The AWG-KP considered the Chair's draft proposal, presented to parties at AWG-KP 13 in August (FCCC/KP/AWG/2010/CRP.2). The document contains several draft decisions on, *inter alia*, Protocol amendments under Article 3.9 (Annex I parties' further commitments), the flexibility mechanisms and land use, land-use change and forestry (LULUCF). Parties focused on narrowing down the options contained in the document and attempted to make progress on substantial issues. A revised Chair's proposal (FCCC/KP/AWG/2010/CRP.3) will be considered further in Cancun.

## A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the UNFCCC in 1992, which sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid "dangerous anthropogenic interference" with the climate system. The UNFCCC entered into force on 21 March 1994 and now has 194 parties.

In December 1997, delegates to the third session of the Conference of the Parties (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 as Annex I parties under the UNFCCC, 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 192 parties.

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This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Tomilola "Tomi" Akanle, Asheline Appleton, Anna Schulz, Matthew Sommerville, and Kunbao Xia. The Digital Editor is Leila Mead. The Editor is Pamela S. Chasek, Ph.D. <pam@iisd.org>. The Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the United Kingdom (through the Department for International Development – DFID), the Government of the United States of America (through the Department of State Bureau of Oceans and International Environmental and Scientific Affairs), the Government of Canada (through CIDA), the Danish Ministry of Foreign Affairs, the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the Netherlands Ministry of Foreign Affairs, the European Commission (DG-ENV), and the Italian Ministry for the Environment, Land and Sea. General Support for the *Bulletin* during 2010 is provided by the Norwegian Ministry of Foreign Affairs, the Government of Australia, the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, the Ministry of Environment of Sweden, the New Zealand Ministry of Foreign Affairs and Trade, SWAN International, Swiss Federal Office for the Environment (FOEN), the Finnish Ministry for Foreign Affairs, the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES), the Japanese Ministry of Economy, Trade and Industry (through the Global Industrial and Social Progress Research Institute - GISPRI), the Government of Iceland, the United Nations Environment Programme (UNEP), and the World Bank. Funding for translation of the *Bulletin* into French has been provided by the Government of France, the Belgium Walloon Region, the Province of Québec, and the International Organization of the Francophone (OIF and IEPPF). Funding for translation of the *Bulletin* into Spanish has been provided by the Spanish Ministry of the Environment and Rural and Marine Affairs. The opinions expressed in the *Bulletin* are those of the authors and do not necessarily reflect the views of IISD or other donors. Excerpts from the *Bulletin* may be used in non-commercial publications with appropriate academic citation. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-646-536-7556 or 300 East 56th St., 11D, New York, New York 10022, United States of America.



In 2005, the first session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 1), held in Montreal, Canada, established the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (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. Negotiations resulted in the adoption of the Bali Action Plan (BAP), which established the *Ad Hoc* Working Group on Long-term Cooperative Action under the UN Framework Convention on Climate Change (AWG-LCA) with a mandate to focus on key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance and technology transfer. The Bali conference also resulted in agreement on a two-year process, the Bali Roadmap, which established two negotiating "tracks" under the Convention and the Protocol, and set a deadline for concluding the negotiations at COP 15 and COP/MOP 5 in Copenhagen in December 2009.

**FROM BALI TO COPENHAGEN:** In 2008, the two AWGs held four parallel negotiating sessions in: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland. In 2009, the AWGs met in: April, June and August in Bonn, Germany; October in Bangkok, Thailand; November in Barcelona, Spain; and December in Copenhagen, Denmark.

**AWG-LCA:** For the AWG-LCA, the first part of 2009 focused on developing draft negotiating text. This process resulted in a text that was nearly 200 pages long and covered all the main elements of the BAP. Because of the length of the text, delegates began producing non-papers, reading guides, tables and matrices aimed at making the negotiating text more manageable. The outcome was a series of non-papers, forwarded to Copenhagen as an annex to the meeting report. Heading into Copenhagen, many felt the AWG-LCA had made satisfactory progress on adaptation, technology and capacity building, but that "deep divides" remained on mitigation and certain aspects of finance.

**AWG-KP:** For the AWG-KP, the focus in 2009 was on the "numbers," namely Annex I parties' aggregate and individual emission reductions beyond 2012, when the Protocol's first commitment period expires. Parties also discussed other issues in the AWG-KP's work programme, including the flexibility mechanisms, land use, land-use change and forestry (LULUCF) and potential consequences of response measures to climate change. The discussions were based on documentation divided into proposals for amendments to the Protocol under Article 3.9 and text on other issues, such as LULUCF and the flexibility mechanisms going to Copenhagen. Most felt that insufficient progress had been made on Annex I parties' aggregate and individual targets, 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 under both AWGs.

**COPENHAGEN CLIMATE CHANGE CONFERENCE:** The UN Climate Change Conference in Copenhagen, Denmark, took place from 7-19 December 2009, and included COP 15 and COP/MOP 5, the 31st sessions of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA), as well as AWG-KP 10 and AWG-LCA 8. Over 110 world leaders attended the joint COP and COP/MOP high-level segment from 16-18 December.

The event was marked by disputes over transparency and process. In particular, differences emerged on whether work should be conducted in a small "Friends of the Chair" format or open contact groups. A proposal by the Danish COP Presidency to table two texts reflecting the work done by the AWGs also caused divisions. Many parties rejected the Danish text, urging that only texts developed in the AWGs by parties should be used. During the high-level segment, informal negotiations took place in a group consisting of major economies and representatives of regional and other negotiating groups. Late in the evening of 18 December, these talks resulted in a political agreement: the "Copenhagen Accord."

After the Accord had been agreed on by this small group, delegates from all parties reconvened for the closing COP plenary. Over the next 13 hours, they discussed the transparency of the process and debated whether the COP should adopt the Copenhagen Accord. Many supported adopting it as a COP decision in order to operationalize it as a step towards securing a "better" future agreement. However, some developing countries opposed the Accord, which they felt had been reached through an "untransparent" and "undemocratic" process. Ultimately, parties agreed that the COP "takes note" of the Copenhagen Accord. Parties also established a process for indicating their support for the Accord and, by 3 October 2010, 139 countries had indicated their support. More than 80 countries have also provided information on their emission reduction targets and other mitigation actions, as agreed under the Accord.

On the last day of the Copenhagen Climate Change Conference, the COP and COP/MOP also agreed to extend the mandates of the AWG-LCA and AWG-KP, requesting them to present their respective outcomes to COP 16 and COP/MOP 6 in Cancun, Mexico.

**BONN CLIMATE CHANGE TALKS (APRIL AND JUNE 2010):** Negotiations resumed in 2010 with AWG-LCA 9 and AWG-KP 11, which took place from 9-11 April. Their focus was on the organization and methods of work in 2010 to enable each AWG to fulfill its mandate and report its outcome in Cancun. In the AWG-LCA, delegates mandated the Chair to prepare text for the June session. The AWG-KP agreed to continue considering Annex I parties' aggregate and individual emission reductions, as well as various other issues.

Discussions continued in Bonn from 31 May to 11 June. AWG-LCA 10 focused on the Chair's new draft text. Late in the evening of 10 June, AWG-LCA Chair Mukahanana-Sangarwe circulated the advance draft of a revised text, which she said could be considered at AWG-LCA 11. Some developing countries felt that the advance draft was "unbalanced" and

should not be used as the basis for negotiations in August unless their views were reflected more fully. A revised version of the text was circulated in July.

AWG-KP 12 focused on Annex I emission reductions and other issues, including the flexibility mechanisms and LULUCF. It also addressed ways to avoid a gap between the first and subsequent commitment periods, and requested the Secretariat to prepare a paper on legal options for achieving this.

**BONN CLIMATE CHANGE TALKS (AUGUST 2010):** AWG-LCA 11 considered a text circulated by Chair Mukahanana-Sangarwe in July 2010 (FCCC/AWGLCA/2010/8). The text was intended to facilitate negotiations in preparation for reaching an outcome at COP 16. The AWG-KP continued consideration of the scale of emission reductions from Annex I parties to the Protocol. It also discussed legal matters, including a possible gap between the Protocol's first commitment period (2008-2012) and subsequent commitment periods. In addition, delegates addressed LULUCF, the flexibility mechanisms and potential consequences of response measures of climate change. The AWG-KP agreed to forward a Chair's draft proposal on Annex I parties' further commitments (FCCC/KP/AWG/2010/CRP.2) for further discussion in Tianjin.

### REPORT OF THE MEETING

The Tianjin Climate Change Talks opened on Monday morning, 4 October 2010. Huang Xingguo, Mayor of Tianjin, welcomed participants to Tianjin, which he described as China's model for developing a circular economy. He said the meeting is an illustration of China's efforts to implement the UN Framework Convention on Climate Change (UNFCCC) and the Bali Roadmap.

UNFCCC Executive Secretary Christiana Figueres emphasized the need to prevent multilateralism from being seen as "an endless road" and also urged parties to prevent climate change impacts from erasing development progress. She said a set of decisions by the Conference of the Parties (COP) and Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP) could be an achievable outcome in Cancun, which could include adaptation and technology transfer frameworks, capacity building, a financial mechanism and the launch of a readiness phase for reducing emissions from deforestation and forest degradation in developing countries (REDD). She stressed that these issues cannot advance without clarity on sensitive political issues, including fast-start finance, the future of the Kyoto Protocol, formalization of previous commitments made by parties, long-term finance, response measures and an understanding of "fairness" to guide long-term work.

Dai Bingguo, State Councilor, China, called for countries to reach consensus on a legally-binding agreement at an early date. He highlighted China's mitigation targets and suggested that parties: adhere to the UNFCCC framework and build on the outcomes of the Copenhagen Conference to promote the implementation of the UNFCCC and the Kyoto Protocol; follow the principles of common but differentiated responsibilities; and strike a balance between economic development, poverty eradication and climate protection.

### AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION

The twelfth session of the AWG-LCA opened on 4 October 2010, chaired by Margaret Mukahanana-Sangarwe (Zimbabwe), with Dan Reifsnnyder (US) as the Vice-Chair and Teodora Obradovic-Grncarovska (Former Yugoslav Republic of Macedonia) as the Rapporteur. Parties adopted the agenda (FCCC/AWGLCA/2010/12) and organization of work (FCCC/AWGLCA/2010/2 and 13). Delegates then turned their attention to the main agenda item on preparation of an outcome at COP 16.

**PREPARATION OF AN OUTCOME AT COP 16:** The AWG-LCA addressed the preparation of an outcome at COP 16 throughout the week, focusing on the negotiating text (FCCC/AWGLCA/2010/14). The Secretariat introduced the documentation (FCCC/AWGLCA/2010/13-14; MISCs.6-7).

Reporting on intersessional meetings, Mexico outlined preparations for Cancun, including: the Informal Ministerial Dialogue on Climate Finance; a series of activities held in conjunction with the 65th session of the UN General Assembly in September 2010 in New York; and an international technical workshop for states and indigenous peoples in preparation for COP 16, held in September 2010 in Mexico.

Switzerland reported on the results of the Informal Ministerial Dialogue on Climate Finance, which took place from 2-3 September 2010 in Geneva, Switzerland. He noted that four issues had been discussed: a new climate fund; the role of the private sector; the fund structure; and the sources of long-term finance.

Parties generally expressed support for the adoption of a balanced set of decisions in Cancun. Yemen, for the Group of 77 and China (G-77/China), emphasized that the AWG-LCA's work should be based on the principles and provisions of the Convention and the BAP, and should not re-classify or differentiate amongst developing countries. He called for: continuing negotiations and determining elements in Cancun in accordance with the BAP; respecting the balance between the two negotiating tracks; and ensuring that these decisions do not compromise the overall objective of a comprehensive and ambitious legally-binding outcome.

The Democratic Republic of the Congo, for the African Group, called for establishing new mechanisms, including an adaptation committee to provide technical support for implementing enhanced adaptation action and a fund under the COP with assessed contributions by developed countries. He said the AWG-LCA should focus on enhancing the level of ambition of Annex I countries that are not party to the Kyoto Protocol, and on reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+).

Grenada, for the Alliance of Small Island States (AOSIS), said COP 16 should demonstrate that the international community will deliver a legally-binding outcome by a clear deadline. She proposed decisions on: the establishment of a permanent body on adaptation and an international mechanism to address loss and damage; REDD+; and capacity building. On mitigation, she called for building on the Kyoto Protocol for



developed country measuring, reporting and verification (MRV), and suggested adopting new rules for developing countries on national communications and frequency of greenhouse gas (GHG) inventories. On finance, she called for the formal establishment of a new fund and oversight body.

Lesotho, for the Least Developed Countries (LDCs), called for massively scaled-up, accessible and additional funding for LDCs, and, on adaptation, he said the LDCs should receive 70% of the proposed 1.5% of Annex I parties' gross domestic product for adaptation.

The European Union (EU) highlighted that its overall goal for Cancun is to make as much progress as possible towards an ambitious, comprehensive and legally-binding outcome in line with the 2°C objective. He highlighted that the EU looks forward to the establishment of an adaptation framework and a technology mechanism together with their institutional arrangements, and noted the need for a decision regarding the establishment of the Copenhagen Green Climate Fund and for fast-start finance. He reaffirmed that the EU will contribute €2.4 billion annually over the period of 2010-2012 for fast-start finance.

Australia, for the Umbrella Group, noted that decisions should: lock-in achievements to date; outline pathways for further progress; and galvanize immediate action by implementing the Copenhagen Accord. She also highlighted MRV and international consultation and analysis (ICA) as essential parts of any balanced package in Cancun. Switzerland, for the Environmental Integrity Group, emphasized the importance of progress under the AWG-LCA and said that parties should strive to have a set of draft decisions by the end of the week.

Belize, for the Central American Integration System (SICA), supported peaking of GHG emissions by 2015 and called for progress on adaptation and finance. Venezuela, for the Bolivarian Alliance for the Peoples of our America (ALBA), called for balanced progress on all elements of the BAP to enable adoption of a legally-binding instrument in Cancun that will strengthen and supplement the Kyoto Protocol. She said the instrument should include all developed countries.

Egypt, for the Arab Group, supported focusing negotiations on issues that could be agreed and reaching a balanced agreement. He said the BAP is the basis for negotiations under the two AWGs and that the outcomes of Cancun must be in agreement with the principles of the UNFCCC and Kyoto Protocol. Chile, also speaking for Colombia, Costa Rica, Guatemala, Peru and the Dominican Republic, noted that a balanced package of decisions is "neither nebulous nor vague."

ICLEI-Local Governments for Sustainability, for Local Government and Municipal Authorities, expressed concern at the lack of reference to the local level and decentralized action, particularly in the text on mitigation. The International Chamber of Commerce, on behalf of Business and Industry NGOs (BINGOs), called for prioritizing outcomes that provide for: comparable and cooperative long-term actions; guidance on GHG inventory methodologies; and consideration of MRV of national actions. Climate Action Network, on behalf of Environmental NGOs (ENGOS), expressed high expectations for Cancun, urged parties to move beyond "nothing is agreed until

everything is agreed" and underlined the need for convergence to agree on a clear mandate for a binding deal to be concluded at COP 17. Friends of the Earth, for ENGOS, lamented attempts to "dismantle" the UNFCCC architecture and replace it with a pledge-based approach, and said climate financing should not be used as a bargaining chip against developing countries. Global Campaign for Climate Action, for Youth NGOs (YOUNGOS), noted that despite Copenhagen, the global climate movement is growing as people continue to experience climate impacts in their countries.

International Federation of Agricultural Producers, for the farmers' constituency, emphasized the importance of: ensuring local and global food security; addressing the adaptation needs of farmers; and including agriculture in the negotiating text. Tebtebba, on behalf of indigenous peoples, called for the recognition of indigenous peoples' rights pursuant to the UN Declaration on Rights of Indigenous Peoples (UNDRIP). Gender CC-Women for Climate Justice, for Gender NGOs, underlined the importance of sustainable low carbon development.

**AWG-LCA CONTACT GROUP:** Chair Mukahanana-Sangarwe opened the first meeting of the AWG-LCA contact group on Monday. She proposed continuation of the four drafting groups established at AWG-LCA 11, namely: a shared vision, facilitated by Anders Turesson (Sweden); adaptation, facilitated by Kishan Kumarsingh (Trinidad and Tobago); mitigation, co-facilitated by Richard Muyungi (Tanzania) and Audun Rosland (Norway); and finance, technology and capacity building, co-facilitated by Burhan Gafoor (Singapore) and Maas Goote (the Netherlands). She said spinoff groups may also be established to work on specific issues.

An AWG-LCA stocktaking contact group convened on Wednesday. Drafting group facilitators reported on progress in their respective groups. AWG-LCA Chair Mukahanana-Sangarwe reported on consultations on countries with economies in transition and other countries with special circumstances. She said a possible way forward could be a decision specifically addressing the capacity building and financing needs of such countries and that she would prepare a draft decision reflecting this.

Chair Mukahanana-Sangarwe then presented a paper on "possible elements of the Cancun outcome," including shared vision, adaptation, mitigation, and finance, technology and capacity building, and invited parties to outline what Cancun can deliver and how to realize these objectives.

Peru, for a number of Latin American countries, outlined three key outcomes for Cancun, including a decision on legal form confirming the legally-binding nature of an AWG-LCA outcome, substantive decisions on "mature issues," and decisions on a programme of work for addressing unresolved issues. Japan called for extracting elements of the Copenhagen Accord for a balanced set of decisions. Australia noted that progress on elements of a balanced package has "not been balanced." She underscored limited progress on mitigation, MRV and ICA.

Egypt said that results on elements such as bunker fuels and markets might not be achievable. Pakistan said elements should stem from the party-driven process rather than "exclusive consultations." Venezuela, with South Africa, emphasized that balance cannot be achieved without an outcome under the AWG-

KP. China underscored the importance of fast-start finance as a deliverable from Cancun and emphasized the importance of guidelines for reporting and operational elements to enable distribution of funds.

South Africa said a possible outcome in Cancun could include an overarching decision on the legal form of the outcome identifying elements of a comprehensive legally-binding agreement, as well as a set of substantive decisions to test implementation or readiness in areas where progress has been made, such as REDD+. He said part of the package must be a decision under the COP/MOP either adopting amendments to Annex B of the Kyoto Protocol or reflecting a commitment by Annex I parties to a second commitment period.

Switzerland, for the Environmental Integrity Group, stated a possible outcome should reflect the elements of the BAP. The EU urged more progress on issues such as mitigation commitments and pledges. Grenada, for AOSIS, called for a legally-binding agreement that would sit alongside a Kyoto Protocol second commitment period, stressing that “Cancun must not compromise the future.”

Tuvalu called for clarity on the purpose of the text on shared vision and said a Cancun outcome must make explicit reference to a mandate to reach a legally-binding agreement. Cuba stressed that the shared vision goes beyond a long-term goal. On finance, he said the reference to “mobilization of long-term finance” is an “empty concept” and said it should reiterate the language in the BAP on provision of new, additional and predictable financial resources. Norway called for more progress on mitigation and associated MRV.

Saudi Arabia lamented the “pick and choose” approach of the paper, said it does not reflect the elements of the BAP and highlighted the party-driven nature of the AWG-LCA process. New Zealand expressed willingness to work with the Chair’s paper, noting that some elements require further elaboration, such as establishment of a new fund and details of ICA. Noting that Cancun would not be the “final word,” Brazil called for simple decisions that capture the essence of the different issues.

The US underlined that an agreement already exists that addresses most of the issues and called for discussions to be based on the Copenhagen Accord. He said issues such as mitigation and transparency require further discussion in spinoff groups. The US also emphasized that its commitment is not contingent on movement of domestic legislation.

**Shared Vision:** This issue was addressed in a drafting group facilitated by Anders Turesson (Sweden) and discussions were based on the relevant portions of the negotiating text (FCCC/AWGLCA/2010/14).

Discussions revolved around how shared vision should be framed, including its structure and content. Parties considered whether to articulate a single shared vision, containing a global goal for emission reductions, or whether to also articulate specific goals for each of the BAP elements. Many developing countries emphasized that all elements of the BAP must be treated in an integrated manner in the shared vision text. Some parties preferred general text referring to these issues, containing, *inter alia*, the principles and vision relating to them. No agreement was reached on this, and parties simply proposed text for inclusion in the technology, finance, capacity building

and international trade sections of the shared vision text. Parties also suggested a framing paragraph setting out the context for a shared vision and made textual proposals in this regard.

In terms of what can be achieved in Cancun, several parties preferred to focus on the long-term goal, observing that this is the only element that can be agreed upon. They maintained that other outstanding issues could be resolved next year and noted the possibility of agreeing on a process towards this in Cancun. Other parties emphasized that the purpose of a shared vision is to enhance the implementation of the Convention and that all the BAP elements must therefore be addressed along with the global goal.

On the review, discussions focused on the scope, content and timing of the review, as well as what actions should be taken based on the review. One of the main areas of disagreement was the scope of the review, specifically whether it should be limited to a review of the long-term goal, or whether it should also include a review of commitments and actions for achieving this goal. On the content of the review, parties proposed reviewing: current emissions, expected emissions trends, economic circumstances and evolving capabilities, and their implications for parties’ Convention responsibilities and obligations; and commitments and actions of both developed and developing countries.

At the last meeting of the drafting group, parties discussed four documents prepared by Facilitator Turesson. The first contained a proposed outline of a shared vision, as follows: the long-term global goal, which would contain a framing paragraph, principles and numerical expressions; the shared vision on the BAP building blocks, which would contain goals on adaptation, mitigation, technology, finance and capacity building; and a section on other elements. The second document included the proposed outline of the text on the review, to include: scope; factors to be taken into account; actions based on the review; and modalities and timeline. The third and fourth documents contain draft text capturing parties’ discussion on some paragraphs of the shared vision and review sections in the negotiating text. The original intention was to submit all four documents to the AWG-LCA Chair to be forwarded to the AWG-LCA to facilitate negotiations. Due to the lack of agreement on what the first two documents should contain, parties decided not to forward these documents to the AWG-LCA but to keep them for their own reference. Parties then agreed to forward the other two documents containing draft texts on the shared vision and the review, together with a note by Facilitator Turesson, containing an example of how some paragraphs can be restructured.

**Mitigation:** Discussions on mitigation was taken up throughout the week in a drafting group and “spinoff” groups. The focus of the discussions was the negotiating text (FCCC/AWGLCA/2010/14), which includes sections dealing with various elements of mitigation. These are based on key paragraphs in the BAP (Decision 1/CP.13), as follows:

- mitigation by developed countries (BAP paragraph 1(b)(i));
- mitigation by developing countries (1(b)(ii));
- REDD-plus (1(b)(iii));
- cooperative sectoral approaches and sector-specific actions (1(b)(iv));



- approaches to enhance the cost effectiveness of mitigation actions (market mechanisms) (1(b)(v)); and
- consequences of response measures (1(b)(vi)).

Delegates discussed the negotiating text at length. The section below summarizes the discussions on each of these mitigation issues.

**Sub-paragraph 1(b)(i) of the BAP (developed country mitigation):** This issue was taken up in drafting and spinoff group discussions facilitated by Richard Muyungi (Tanzania). The focus was on issues that could be agreed on in Cancun, and parties primarily considered how to structure discussions in order to produce a decision or part of a decision in Cancun. Parties identified various issues that should be discussed in addition to those suggested by the AWG-LCA Chair in her pre-meeting scenario note, such as: compliance systems, including for non-Kyoto Protocol Annex I countries; comparability of actions by developed countries; the legal nature of the outcome; graduation of countries into Annex I; the nature and content of the set of decisions to be considered for adoption at Cancun, and the implications for the Kyoto Protocol and the goal of a legally-binding outcome under the AWG-LCA; and the framework for mitigation commitments by Annex I countries.

Parties also highlighted various elements that must be reflected in a Cancun outcome, including: continuation of the Kyoto Protocol; comparability of efforts; compliance; and intention to work towards a legally-binding agreement. Many parties supported the idea of “capturing” developed countries’ pledges in a decision in Cancun, provided there is reference to this being without prejudice to the legal form. Some said such a decision should also include reference to the fact that the current pledges are insufficient. Regarding what should be inscribed, some parties said this should be limited to Annex I countries not party to the Kyoto Protocol. Others said it should include all Annex I countries, while others preferred inscribing the pledges of all countries, both Annex I and non-Annex I. A note prepared by the facilitator containing “reflections on the issues discussed at the meetings” was presented to parties. During the AWG-LCA closing plenary, several parties objected to the title and the note will now refer to the facilitator’s understanding of issues discussed. The will be forwarded to the AWG-LCA.

**Sub-paragraph 1(b)(ii) of the BAP (developing country mitigation):** This issue was taken up in drafting and spinoff group discussions facilitated by Audun Rosland (Norway). Discussions focused on: nationally appropriate mitigation actions (NAMAs) for developing countries; MRV of NAMAs; and MRV of support for implementing NAMAs.

Parties considered the need for substantive discussion on elements that will be part of a COP 16 decision and those that can be considered at a later stage. In this regard, parties discussed whether a package of decisions in Cancun should include elements for capturing and “anchoring” pledges by major developing economies. Some parties also suggested agreement on the basic idea of enhanced reporting of actions and a system to facilitate dialogue, leaving the operative details to be agreed on next year.

Regarding MRV of NAMAs, parties reiterated various proposals for this, including: reporting of all mitigation actions, both supported and autonomous; domestic and international

MRV and ICA of supported actions, and domestic MRV and ICA of autonomous actions; and domestic reporting and verification of autonomous actions, and domestic reporting and international verification of supported actions.

Regarding the registry/mitigation mechanism, disagreement remained on its functions, specifically whether it should be used to record all NAMAs of developing countries, both supported and autonomous. Some countries preferred recording all NAMAs in an appendix or annex to a legally-binding instrument and limiting the registry to record only supported NAMAs. Other parties said the registry should be used to record supported NAMAs only and for MRV of support. Several underscored that the registry should be a forum for matching proposed actions with support. Parties also discussed whether national communications provide an adequate forum for reporting on all types of mitigation activities.

Regarding the nature of support, several parties highlighted that this should include technical, financial and capacity-building support. Several parties said the agreed full costs of any additional obligation must be provided.

**Sub-paragraph 1(b)(iii) of the BAP (REDD+):** Discussions in this group were facilitated by Audun Rosland (Norway). Following discussions on how to move forward on options in the text, Facilitator Rosland invited parties that had made new textual proposals in August to present their ideas. Parties discussed: how to address the issue of forests more holistically, including ecosystem services; the need for REDD+ to contribute to adaptation; and concerns that a REDD+ mechanism would create a new system of offsets. Parties generally welcomed consideration of the role of forests in providing ecosystem services and the importance of forests in adaptation. Some countries welcomed the drafting of a paragraph on these issues.

Several parties highlighted the importance of maintaining the environmental integrity of any market mechanism associated with REDD+. Some countries preferred no reference to a global goal, highlighting that they do not anticipate a quantitative goal on reducing deforestation without deciding how it will be achieved. On recording progress to the contact group, Facilitator Rosland underscored the need to present the scope, principles and the need to address safeguards, financing and technical support. Parties highlighted the importance of capturing, *inter alia*: the establishment of a REDD+ mechanism; a phased approach; clean institutional arrangements; and a Subsidiary Body for Scientific and Technological Advice (SBSTA) work programme. Some parties noted that they were uncomfortable about giving the Chair a mandate to draft a decision. Instead, they requested the Chair to document what has happened.

**Sub-paragraph 1(b)(iv) of the BAP (sectoral approaches and sector-specific actions):** This issue was addressed in drafting group discussions facilitated by Annemarie Watt (Australia). Discussions focused on a general framework for cooperative sectoral approaches and sector-specific actions to enhance the implementation of Convention Article 4.1(c) (technology transfer), bunker fuels and agriculture.

On a general framework, some parties noted that it should be voluntary and consistent with the provisions and principles of the Convention. Several parties objected to this text, stating that it

could constrain mitigation actions. Alternative text was proposed by some parties, outlining that sectoral approaches and sector-specific actions may be useful for parties to explore further.

On bunker fuels, discussions focused on proposals on: the need to reduce emissions from shipping and aviation; the roles of the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO); an invitation to ICAO and IMO to report on their work to the COP; and the use of revenue collected from shipping and aviation for emission reductions.

On agriculture, some parties highlighted that a successful outcome in Cancun on agriculture should: enhance the implementation of Convention Article 4.1(c); respect the relevant provisions and principles of the Convention; and promote a supportive and open international economic system.

**Sub-paragraph 1(b)(v) of the BAP (various approaches to enhance the cost-effectiveness of, and to promote, mitigation actions):** Discussions on this issue were facilitated by Tosi Mpanu-Mpanu (Democratic Republic of the Congo). Discussions focused on streamlining the heavily-bracketed text in order to enable a decision to be taken in Cancun. Parties highlighted the need to: consider what a decision should contain; focus on what is needed to work towards a legally-binding agreement; and ensure a balance between market and non-market-based approaches. Some parties preferred that discussions focus only on non-market-based approaches. Parties also considered ways of streamlining the text, such as by separating market and non-market-based approaches in the text. Some parties said that progress was contingent on action on mechanisms under the AWG-KP, while others called for the establishment of mechanisms and a work programme on markets and market readiness. Parties agreed to forward the revised draft text to the AWG-LCA.

**Sub-paragraph 1(b)(vi) of the BAP (consequences of response measures):** This group was facilitated by Crispin D'Auvergne (Saint Lucia). On a permanent forum, to address the issue of the impact of the implementation of response measures, parties considered: the need to establish a forum; its potential structure and functions; the possibility of using existing mechanisms rather than establishing a separate forum; and whether consideration should be restricted to consequences experienced in developing countries.

On trade-related measures, parties discussed the need for international consensus on measures that would have an effect on international trade, in particular on developing country exports and ensuring that climate change trade-related measures taken by developed countries do not transfer the burden of mitigation to developing countries or limit their social or economic development. Discussions were reflected in revisions to the negotiating text (FCCC/AWGLCA/2010/14).

**Adaptation:** The drafting group was facilitated by Kishan Kumarsingh (Trinidad and Tobago) and focused on options for institutional arrangements to facilitate enhanced action on adaptation. Discussions also addressed: mechanisms to address loss and damage; support provided to developing countries, especially LDCs and small island developing states (SIDS); and reporting.

Many parties supported establishing an adaptation committee under the Convention. These parties tabled new text that detailed the functions of the proposed committee, and suggested that the committee be linked with the financial mechanism of the Convention by providing advice to the proposed new fund. Many other parties said they were not convinced with the need for such a committee and continued to support strengthening, enhancing and better utilizing existing institutional arrangements and expertise under the Convention.

Parties also considered national institutional arrangements. Some parties expressed preference for an option requesting developed country parties to support developing country parties in strengthening and establishing designated national-level institutional arrangements for adaptation. Other parties preferred a less-prescriptive option inviting all parties to strengthen and establish national-level institutional arrangements. A compromise text was agreed on, merging the main elements of the two options with differences remaining about a reference to “establish designated” or “establish or designate” national-level institutional arrangements.

Parties considered two options for addressing loss and damage. Some parties supported establishing an international mechanism to address loss and damage associated with climate change impacts in vulnerable developing countries, and they listed detailed functions of this mechanism. Other parties suggested a new text on the issue, which emphasizes the need to strengthen international cooperation and expertise to understand and reduce loss and damage associated with the adverse effects of climate change.

Parties generally supported enhancing adaptation action under the adaptation framework, and establishing a process for LDCs to formulate and implement National Adaptation Programmes of Action. However, parties differed on the need to establish a process to provide financial and technical support for such a purpose.

Parties considered two options on support for adaptation. Some parties preferred the option that developed countries shall provide developing country parties with long-term, scaled-up, adequate, new and additional, predictable and grant-based finance, as well as support for technology, insurance and capacity building to implement adaptation actions. Other parties favored the second option urging developed country parties and other developed parties included in Annex II to substantially scale up financial, technological and capacity-building support for developing country adaptation efforts.

On reporting, some parties highlighted the need to: report activities undertaken and support provided and received for adaptation actions; and ensure transparency, mutual accountability and robust governance. Other parties stressed the need to report on support provided in order to identify insufficiencies and discrepancies in support, and to provide information on experiences and lessons learned.

On a paragraph requesting the Secretariat to support the adaptation framework, some parties proposed text on agreeing that the UNFCCC process is the main forum to address adaptation and requesting the Secretariat to support an adaptation framework for implementation and an adaptation committee. Some other parties objected to this text.

Discussions are reflected in a revision to the negotiating text that will be forwarded to the AWG-LCA together with a facilitator's note on "enhanced action on adaptation."

**Finance, Technology and Capacity Building:** These items were considered in one drafting group. Burhan Gafoor (Singapore) facilitated drafting and spinoff group discussions on finance and Maas Goote (the Netherlands) facilitated discussions on technology and capacity building.

**Finance:** The focus of discussions was on the establishment of a new fund, the composition of a body, fast-start finance, long-term finance, MRV of support, and the role of the Global Environment Facility (GEF).

On the new fund, several developing countries emphasized the need to determine the scale and sources of finance and underlined that the fund should be part of the UNFCCC process. They also called for the fund to have a governance structure, which: functions under the COP; has a clearly identifiable oversight mechanism; and comprises a balanced and equitable representation of parties. Some parties noted the need for the fund to be subjected to MRV. Five party submissions (FCCC/AWGLCA/2010/MISC.6/Add.1) on the fund and an oversight body were submitted from Bangladesh, the EU, the LDCs, the G-77/China, and the US.

Parties considered several proposals on the operation and design of the new fund, including the EU proposal, which envisages: a complementary fund to existing institutions or mechanisms; possibly with different thematic windows; the World Bank as a trustee; and the establishment of an *ad hoc* committee to design the fund. On the fund establishment process, the US proposed inviting ministries of finance to convene a transitional working group in a series of meetings open to all interested parties and led by finance ministers. The G-77/China proposal envisages the establishment of a standing or *ad hoc* committee on finance, to provide regular support to the COP.

Parties also discussed whether to have a decision on a new body to exercise an oversight function or, alternatively, a decision that does not prejudice a new body.

On fast-start finance, parties considered whether to make reference to it in a Cancun decision. Some parties noted that it is outside the mandate of the AWG-LCA, while others called for a separate decision on fast-start finance, including its channels, sources and nature. Several parties expressed flexibility on making a preambular reference to fast-start finance in a Cancun decision.

On long-term finance, many parties highlighted the need for new, additional, adequate and predictable finance, as well as assessed contributions derived mainly from public sources. Other parties cautioned against proposing "simplistic percentage figures." On MRV of financial support, some parties advocated using and building on the existing national communications systems, rather than recording financial support provided to developing countries in a registry. Some parties supported reaffirming the GEF as the operating entity of the financial mechanism, while others advocated further reform of the GEF to make it more responsive to the Convention.

A note by the co-facilitator on elements for a draft decision was forwarded to the AWG-LCA on the establishment of a new fund and a new oversight body. The main elements consist

of, *inter alia*: key points/principles; the modalities; the design process; governance; secretariat; trustee; reporting; standing committee on finance or new body; use of existing institutions; and incorporation of the fund and standing committee in a legally-binding outcome.

During final drafting group discussions, one party called for a "good faith gesture" and a common understanding that finance will be adopted as part of a balanced package in Cancun even if progress has not been made on other issues. Some parties complained that proposals had not been adequately reflected and also called for a clear reference in a footnote of the link between the co-facilitators' note and the proposals contained in the party submissions. Other parties maintained that the note was a useful document, which crystallizes options that have been discussed.

**Technology:** Discussions focused on the mandate and composition of the Technology Executive Committee (TEC) and relationship to the financial arrangements. Parties also discussed the proposed climate technology centre and network (CTCN).

On the mandate of the TEC, parties debated whether to specify the TEC mandate in a decision or have a decision asking the TEC to elaborate its own modalities. Disagreement arose over the relationship between the TEC and the proposed CTCN, with regard to a proposal that the TEC provide guidance to the CTCN and that it should therefore elaborate the CTCN's terms of reference. Another position was that both these bodies would be of equal status.

On the TEC's composition, parties discussed size, technical expertise and capacity, and the terms of service. On the relationship between technology and finance, parties discussed the potential role of the TEC and whether it should provide broad policy advice or be actively linked to the funding mechanism. Draft text on elements of the composition and mandate of the TEC was produced reflecting a revision of Chapter IV, paragraph 8. The text includes sections on mandate, composition, expert advice, and a bracketed section on decision-making and organizational matters.

Parties shared views and perspectives on the proposed CTCN. Divergent views were expressed on whether this mechanism should be established within or outside the Convention. During the last drafting group meeting, views were divided on the draft text on the composition and mandate of the CTCN. Some parties expressed concerns with the draft text saying that it was a "selective interpretation of discussions that have occurred." The draft text was forwarded to the AWG-LCA following amendments to reflect that it consists of the views of the co-facilitator and is without prejudice to any final conclusions or outcomes.

**Capacity building:** Parties discussed: what a Cancun outcome on capacity building might look like; institutional needs; how capacity building is reflected throughout the AWG-LCA text; and the need for performance indicators. Some countries highlighted the need for a stand-alone chapter on capacity building to capture emerging needs and issues omitted from other sections of the text, while other parties preferred to integrate capacity building throughout the text. Divergent views on the need for new institutions were expressed, with some preferring to use existing institutions. On general performance



indicators, some parties observed that these are not readily available for capacity building, emphasizing that project-based indicators would be more applicable.

Co-facilitator Goote highlighted areas of convergence including the need to: enhance the current framework; reflect capacity building in a Cancun outcome; avoid gaps by ensuring that all capacity-building issues are addressed; reflect inter-linkages between capacity building and other thematic areas; and ensure that capacity-building decisions are fully and effectively implemented.

Parties considered a paper produced by the Secretariat highlighting references to capacity building in the AWG-LCA negotiating text. Some parties said that these references are from text that is not agreed and therefore should not form the basis for the group's work. They also called for a focus on areas such as: a technical panel on capacity building; its terms of reference or mandate; and the scope of capacity building.

Differences emerged when the co-facilitators' note was considered during the final drafting group meeting. Some parties expressed concern that the note was titled "Areas of Convergence" and did not reflect issues upon which there was divergence, such as institutional arrangements and a stand-alone decision on capacity building.

During the combined drafting group session, Goote explained that no output would be submitted to the AWG-LCA due to disagreement on what should be reflected in the paper. Parties were eventually able to agree to submit a note by the facilitator on "Points of discussion on capacity-building," reflecting that parties continue to actively discuss how to best to capture capacity building.

**CLOSING PLENARY:** The AWG-LCA closing plenary convened on Saturday evening. AWG-LCA Chair Mukahanana-Sangarwe presented a Chair's Report on consultations on elements of the outcome containing possible components of a package of decisions that would need to be advanced. She informed parties that a set of draft decisions was close to being agreed that did not prejudge the AWG-LCA outcome and respected the two-track approach under the two AWGs. The list consists of items under shared vision, adaptation, mitigation and finance, technology and capacity building.

Mexico reported that consultations on the linkage between developed country mitigation under the BAP and commitments under the AWG-KP, and on how decisions could be taken in Cancun without prejudging a legally-binding agreement had been held, but that it had not been possible to consult with all negotiating groups and delegations. He noted that most parties had emphasized the compatibility of a package of decisions with a legally-binding agreement.

Chair Mukahanana-Sangarwe informed delegates that consultations with countries with economies in transition and countries with special circumstances recognized by the Convention would continue. She also reported that informal consultations being undertaken by Shin Yeon-Sung (Republic of Korea) on matters of common interest between the AWG-LCA and the AWG-KP would continue.

She introduced submissions by parties (FCCC/AWGLCA/2010/MISC.6/Add.1) under finance on a new fund and a new body and an additional submission from parties

under the agenda item on preparation of an outcome for COP 16 (FCCC/AWGLCA/2010/MISC.6/Add.2). Chair Mukahanana-Sangarwe explained that progress made in the drafting and spinoff groups had been captured in the draft text or notes by the facilitators and that these would also be compiled in an information document to be produced by the Secretariat. She clarified that the AWG-LCA negotiating text would still remain the basis for negotiations and emphasized that to achieve a balanced package, the focus in Cancun would have to be on progress that had not been made in Tianjin.

Many parties made interventions seeking clarification on the status of the Chair's Report, and of the outputs of the drafting groups, including draft texts and facilitators' notes. South Africa, for the G-77/China, expressed concern with the formulation of the drafting group facilitators' notes on subparagraphs 1(b)(i) and 1(b)(ii) of the BAP. He said that the titles and structure of these notes give the impression that parties had been able to get into substantive discussion of the issues and had engaged in drafting text. He said that furthermore on subparagraph 1(b)(i), the G-77/China had rejected the proposed structure of discussions in the drafting group meetings, but that the facilitator's note had retained this structure. He said that the G-77/China could therefore not accept the documents. In response, the Secretariat proposed that the titles of the documents be changed to "Facilitator's understanding of issues discussed." The documents would also have a chapeau clarifying that: the facilitator's understandings are derived from statements made during the drafting groups on mitigation at this session; these understandings have no bearing on the negotiations; and negotiations will continue on the basis of document (FCCC/AWGLCA/2010/14) (negotiating text), without prejudice to the positions of parties. He said the sub-titles in the note on subparagraph 1(b)(i) would also be deleted.

China requested further clarification on the status of the notes prepared by the various drafting group facilitators, highlighting his understanding that these notes have no legal status, do not represent parties' views, will not form the basis for future negotiations and would only serve as a *memoire* of discussions at the session. He also asked whether the Chair's report on consultations on elements of the outcome would be included in the information document to be prepared. Chair Mukahanana-Sangarwe clarified that the current negotiating text will continue to be the basis of further negotiations and that a chapeau will be included for all the facilitators' notes, clarifying that they have no legal status. She added that her report will not be included in the information document and also has no status.

Singapore said that although the Chair's report is neither exhaustive nor comprehensive, it is better than that presented to parties during the AWG-LCA stocktaking contact group on Wednesday. He expressed satisfaction with the reference in the report to the need for a legally-binding outcome, but said this reference should be further strengthened. Singapore also stressed that the AWG-LCA's work should be guided by Convention principles and the BAP provisions, and said "innovative concepts" such as "equitable access to the atmospheric space" will not help move the process forward.

Turkey said the Chair's list of elements, which may make up a balanced set of decisions, is a good framework on which to proceed. The G-77/China emphasized that parties would have to work with the negotiating text in Cancun, which was the basis for negotiations.

Making closing statements, Grenada, for AOSIS, called for COP 16 to deliver a comprehensive and ambitious outcome that builds confidence and momentum for an agreement at COP 17 in South Africa. She underscored their desire for a legally-binding instrument from the process, with a second commitment period under the Kyoto Protocol. She expressed concern that the "symbolic action" of creating a fund is "being held hostage to events elsewhere."

Yemen, for the G-77/China, called for balance between the two negotiating tracks and balanced decisions within each track, without compromising the overall objective of a comprehensive, ambitious and legally-binding outcome.

Australia, for the Umbrella Group, called for a durable, fair and effective legally-binding outcome that includes mitigation contributions by all major emitters. She called for a decision to allow new and updated pledges to be submitted and to begin a process of understanding those pledges. The Umbrella Group noted that the Group stands by its fast-start finance, underscoring the role of transparency.

The Republic of Korea, for the Environmental Integrity Group, urged flexibility and called for progress on a NAMA registry. The Republic of Korea noted that they were still undertaking bilateral consultations with Qatar regarding hosting COP 18. Ecuador, for ALBA, said: greater commitment was required from developed countries; there is no room for conditionalities in negotiations; and that transparency in negotiations and inclusion of all parties is needed.

Lesotho, for the LDCs, urged achievement of milestones in Cancun, through a set of decisions that adequately address all elements of the BAP, which must eventually lead to a legally-binding agreement. The Democratic Republic of the Congo, for the African Group, called for, *inter alia*, an outcome on shared vision that includes a global goal for emission reductions and goals for mitigation, adaptation, technology and capacity building. Panama, for the Latin American and Caribbean Group, said the AWG-LCA's mandate should be extended to enable it to conclude its work, and that a programme of work for achieving a legally-binding agreement should be adopted. China thanked the parties for attending the meeting and said that China will take measures to offset the emissions generated by the meeting.

Belgium, for the EU, emphasized the importance of achieving a balanced package of decisions in Cancun in order to restore trust in the multilateral climate change process. He lamented lack of adequate progress on mitigation, MRV and market approaches, and stressed that Cancun should move parties towards a legally-binding agreement and define the next steps.

Egypt, for the Arab Group, expressed concern over "regression" in areas such as adaptation and capacity building. He underscored the need for balance between all elements of the BAP.

Parties adopted the report of the session (FCCC/AWGLCA/2010/L.5). Chair Mukahanana-Sangarwe pledged to continue guiding the work of the group until the end of Cancun. She thanked delegates for their cooperation and support and gavelled the meeting to a close at 10:22 pm.

#### **AD HOC WORKING GROUP ON FURTHER COMMITMENTS FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL**

On Monday morning, Chair John Ashe (Antigua and Barbuda) opened the session with Adrian Macey as Vice-Chair (New Zealand) and Miroslav Spasojevic (Serbia) as Rapporteur. Parties adopted the agenda (FCCC/KP/AWG/2010/12) and agreed to the organization of work (FCCC/KP/AWG/2010/13). Submissions from parties on the Chair's text (FCCC/KP/AWG/2010/MISC.6) were also introduced.

In opening statements, Yemen, for the G-77/China, expressed concern at slow progress in adopting conclusions on the scale of Annex I emission reduction targets. He insisted on a second commitment period for Annex I parties, highlighted the insufficiency of current pledges and said the current text should be used as the basis for negotiations.

Belgium, for the EU, called for an ambitious post-2012 regime and emphasized preference for a single legally-binding agreement incorporating essential elements of the Kyoto Protocol. He however underscored flexibility on a second commitment period as part of a global legally-binding agreement, with a "fair share" of emission reductions undertaken by Annex I countries not party to the Kyoto Protocol and other major emitters.

Australia, for the Umbrella Group, expressed commitment to being part of a durable, fair, effective and comprehensive outcome with the participation of all major economies. She said there could not be further clarity on numbers until rules and the broad post-2012 outcomes are clarified.

Grenada, for AOSIS, called for: reaching agreement on a five-year second commitment period with 1990 as the single, legally-binding base year; agreeing on LULUCF accounting rules; identifying feasible ways to address surplus assigned amount units (AAUs); agreeing on a transparent process to transform mitigation pledges into quantified emission limitation and reduction objectives (QELROs); and increasing the aggregate level of ambition.

Switzerland, for the Environmental Integrity Group called for clarifying rules and options affecting level of ambition, including LULUCF accounting rules, length of commitment periods, the basket of gases and carryover of surplus AAUs.

Lesotho, for the LDCs, underscored the need to work towards a concrete and achievable outcome in Cancun that would serve as the basis for an ambitious and legally-binding outcome. He said guidelines for the treatment of LULUCF and rules to improve the geographical distribution of Clean Development Mechanism (CDM) projects must be finalized.

Belize, for SICA, highlighted the need to avoid a gap between commitment periods. Egypt, for the Arab Group, said that agreement on a second commitment period is a top priority that requires movement away from the precondition that all parties take on responsibilities. Bolivia, on behalf of ALBA, lamented

efforts to “eliminate the Kyoto Protocol,” underlined the urgency of the AWG-KP’s work and said this must be concluded at COP/MOP 6 in Cancun.

The Democratic Republic of the Congo, for the African Group, underscored the need to establish a second and subsequent commitment periods. He further: highlighted a commitment to conclude LULUCF negotiations; called for exploring legal options on a possible gap between commitment periods; and urged continued work on adoption of rules and methodologies for small- and medium-scale CDM projects.

BINGOs encouraged efforts to consult on issues of common concern between the two AWGs, noting that the linkages and overlap remain confusing and that the business sector requires clarity regarding commitments and the means available to achieve them. ICLEI-Local Governments for Sustainability, for Local Government and Municipal Authorities, highlighted that successful climate action at the local level should be scaled up. YOUNGOs emphasized that participants are here to “fight for a better life and a better world.”

Indigenous Peoples Forum on Climate Change called for a binding outcome under the Kyoto Protocol, which: recognizes indigenous rights as defined in the UNDRIP; closes LULUCF loopholes; and uses a fund-based, rather than a market-based, approach. Climate Action Network said the best adaptation is urgent mitigation and called for closing the 7-10 gigatonne gap. Trade Unions called on Annex I countries to make a transition to a low-carbon economy that respects workers.

**ANNEX I PARTIES’ FURTHER COMMITMENTS:** This issue was first taken up in plenary on Monday. The focus of the AWG-KP’s work was on narrowing down options in the Chair’s text (FCCC/KP/AWG/2010/CRP.2). Under this item, parties met in plenary and held contact groups and informal consultations on the following issues:

- scale of emission reductions from Annex I parties (also known as the “numbers” group), co-chaired by Jürgen Lefevere (EU) and Janine Coye Felson (Belize);
- legal matters, including a possible gap between the Protocol’s first commitment period (2008-2012) and subsequent commitment periods co-chaired by Gerhard Loibl (Austria) and Daniel Ortega (Ecuador);
- “other issues,” including LULUCF, the flexibility mechanisms, and methodological issues chaired by AWG-KP Vice-Chair Adrian Macey (New Zealand); and
- potential consequences of response measures of climate change, chaired by Andrew Ure (Australia)

These discussions ended with parties forwarding a revised Chair’s proposal (FCCC/KP/AWG/2010/CRP.3) that contains a series of draft decisions to serve as the basis for continued negotiations. This section outlines the discussions and outcomes on each of the issues considered.

**ANNEX I EMISSION REDUCTIONS:** Work on this issue (FCCC/KP/AWG/2010/CRP.2, Chapter I), began on Monday in the “numbers” contact group continued in both informal consultations and contact group meetings throughout the week.

The Secretariat presented the technical paper on issues relating to transforming pledges into QELROs (FCCC/TP/2010/3). Australia underscored that rules and legal options must be clarified before pledges can be translated into QELROs, with

New Zealand noting that party pledges are based on different assumptions. Bolivia underscored that clarity on rules prior to translating pledges into QELROs will not make a difference in terms of what the atmosphere sees and emphasized that the pledges on the table would only result in a 10% reduction from current emission levels.

The Federated States of Micronesia, for AOSIS, stressed comparability and supported a five-year commitment period, allowing for response to emerging science and a deepening of commitments before 2020. The Russian Federation pointed out that their Copenhagen Accord pledge is not a second commitment period pledge. China stressed that the bottom-up approach is inadequate for setting Annex I emission reduction targets.

On carryover of surplus AAUs, the Secretariat presented a table of options and parties clarified their proposals. AOSIS emphasized the need to avoid locking in the first commitment period surplus and rewarding parties for not achieving their commitments. The Russian Federation said any proposal to eliminate or limit carryover is inconsistent with the Kyoto Protocol. Parties considered the options in the Secretariat’s paper, as well as other party proposals, such as: raising ambition; not carrying over surplus AAUs; capping AAU carryover; and imposing a levy on carryover of AAUs.

On options related to Protocol Article 3.1 (quantitative emission reduction commitments), the Secretariat presented a paper on parameters for overall emission reductions by Annex I parties, including: percentage, base year, first and last years of the commitment period, end year, and other factors. Croatia said that “per adoption by the COP” should be included as an option for base year. Australia preferred the option of “at least X% below 1990 levels” and said they could consider a 1990 base year as long as parties can inscribe reference years. The EU emphasized a collective target to reduce emissions by 30% below 1990 levels by 2020 and 80-90% by 2050.

On base year, Co-Chair Lefevere noted emerging consensus on having a single common base year. He also highlighted the desire of a number of parties to reflect a year that represents the base year for their domestic targets. The Federated States of Micronesia called for keeping the 1990 base year, while Croatia and Canada said parties should have different base years, but that for the sake of comparability a common reference year could also be set.

During a joint session with the “other issues” group, the EU, supported by a number of developed country parties, reiterated the importance of fixing LULUCF rules before agreement on further commitments, with New Zealand underscoring that if there is a significant change in rules, it would have to recalculate its target. The Federated States of Micronesia, for AOSIS, expressed continued concern with implications of LULUCF proposals for accounting and transparency and stressed the need to consider quantitative impacts of the proposals.

During a joint session with the “other issues” group on flexibility mechanisms, AWG-KP Vice-Chair Macey described discussions on carbon capture and storage (CCS) and the CDM, standardized baselines, new market mechanisms and discount factors on certified emission reductions, among others. The EU highlighted the need to focus on the consistency of rules for new



mechanisms, while New Zealand called on parties to resolve tensions between a “deep and fluid” carbon market and the use of markets to rectify other problems.

On the basket of methodological issues, Vice-Chair Macey highlighted work on new greenhouse gases and global warming potentials. Many parties suggested consolidating options for greenhouse gases under Protocol Annex A.

During the AWG-KP closing plenary, Co-Chair Lefevere noted that discussions on transforming pledges into QELROs had enhanced understanding of the technical and political dimensions of the issue, and that discussions of options to address the carryover of surplus AAUs created an understanding of the rationale and principles behind the different options. He said there was substantial convergence around a base or reference year and length and number of commitment periods. He underscored that Chapter I of the revised Chair’s text (FCCC/KP/ AWG/2010/CRP.3) will serve as the basis for further discussions in Cancun.

**OTHER ISSUES ARISING FROM THE AWG-KP’S WORK PROGRAMME: Land Use, Land-use Change and Forestry:** The LULUCF spinoff group (FCCC/KP/ AWG/2010/CRP.2 Chapter II) was co-facilitated by Marcelo Rocha (Brazil) and Peter Iversen (Denmark). On paragraph 21, regarding harvested wood products, parties discussed how to account for oxidation of exported harvested wood products. Parties agreed to delete the option to include harvested wood products under the CDM.

On paragraph 11, regarding accounting for forest management, Tuvalu presented an option on net-net accounting relative to an average over previous commitment periods. The EU said this proposal would reduce long-term incentives for actions. New Zealand and India expressed concern that averaging over a commitment period does not reflect long-term forestry cycles. Australia underscored the central importance of transparency regardless of which option is chosen. Climate Action Network preferred a historical baseline and said projected baselines allow parties to hide increased emissions from forest management, although this could be improved with the use of historical harvest rates.

Parties also presented text on a proposed review of submissions on forest management reference levels. Parties considered issues of comparability and consistency, as well as challenges posed by the proposed review procedures. Some parties expressed concern that the proposal on the review process implies a gap between commitment periods because of the time needed to analyze reviews, while others said they do not anticipate such a gap. They highlighted that the review process will ensure transparency in the setting of QELROs. Parties considered the consequences of the review process in the event of inconsistent results.

On paragraph 19, regarding *force majeure*, several parties made a presentation on proposed reporting and review steps for *force majeure* exclusions in forest management accounting. They stressed that although *force majeure* emissions would be excluded from accounting, they would still be reported. Others questioned whether *force majeure* would be used for single events or cumulative disturbances. Some parties noted the challenges of differentiating between natural and anthropogenic disturbances

on managed land. Parties expressed divergent views on how to account for non-CO<sub>2</sub> emissions from *force majeure* and some parties suggested the need to readdress the definition.

On accounting for wetlands, Belarus noted an upcoming Intergovernmental Panel on Climate Change (IPCC) workshop on wetlands that will report to the SBSTA. Brazil cautioned that if accounting is voluntary, parties with net-draining will not account for wetlands while parties with rewetting will. Climate Action Network called for addressing data quality so that wetland accounting can become mandatory. Brazil questioned how non-CO<sub>2</sub> emissions from wetlands will be considered. Switzerland underscored that parties are moving toward full carbon accounting.

On the base year for additional activities, Papua New Guinea noted the challenge of using 1990 as the base year due to inadequate data and the EU highlighted that a single base year is not politically feasible. New Zealand supported a 1990 base year for all activities.

In the closing plenary, Co-facilitator Rocha highlighted that the Chair’s text contains an updated Chapter II on LULUCF. He said this text would serve as the basis for further discussion.

**Flexibility Mechanisms:** The spinoff group was chaired by Vice-Chair Macey and focused on improvements to the flexibility mechanisms (FCCC/KP/ AWG/2010/CRP.2 Chapter III). Parties discussed the regional distribution of CDM projects, supplementarity, carryover of surplus AAUs and the share of proceeds. Parties clarified options and made minor revisions to the text on extension of the share of proceeds and the regional distribution of CDM project activities. Parties also added an additional preambular paragraph supporting the continuation of the use of the mechanisms. The revisions are reflected in the Chair’s paper (FCCC/KP/ AWG/2010/CRP.3).

**Basket of Methodological Issues:** The spinoff group on the basket of methodological issues (FCCC/KP/ AWG/2010/CRP.2 Chapter IV) met in informal consultation and in a joint contact group and was chaired by Vice-Chair Macey. Parties discussed proposals for reporting on new gases, the relevance of including existing gases in the text and consistency with Annex A of the Kyoto Protocol. One party highlighted differences between reporting on actual versus potential emissions and said this should be clarified in the text. On options for supplementary LULUCF methodologies based on IPCC good practice guidance, parties requested coordination with the LULUCF spinoff group and several noted the risks of not agreeing on rules prior to a commitment period, suggesting language to address this. Parties also streamlined text on base year and the listing of new GHGs. The revisions to the text are reflected in Chapter IV of the Chair’s text (FCCC/KP/ AWG/2010/CRP.3).

**POTENTIAL CONSEQUENCES OF RESPONSE MEASURES:** The contact group on potential consequences (FCCC/ AWG/ KP/2010/CRP.2 Chapter V) was co-chaired by Eduardo Calvo Buendía (Peru) and Andrew Ure (Australia). Discussions focused on the remaining area of disagreement in the text: on whether to create a permanent forum to address potential consequences or use existing channels, such as national communications and the review process under the Subsidiary Body for Implementation (SBI).

The EU, Canada, New Zealand, Australia, Switzerland and the Russian Federation expressed preference for making use of existing channels, while Argentina, Saudi Arabia, Sudan and China supported establishing a new forum for exchanging information and facilitating dialogue.

Argentina emphasized that establishing a forum is fundamental to address compliance by Annex I parties with their obligations.

Sudan said the forum would also provide a platform for operationalizing what is reported in national communications. New Zealand noted that information reported in national communications is already operationalized because Annex I parties are reporting on the ways they are implementing their policies to avoid potential consequences. On the review function of the proposed forum, she emphasized that the SBI already has a mandate to review national communications. Switzerland underlined the lack of a clear mandate or terms of reference for the proposed forum. Argentina emphasized the need to centralize all available information in a forum. Saudi Arabia said the proposed forum should operate as cost-effectively as possible by convening two meetings a year in conjunction with the SBI.

During the AWG-KP closing plenary, Co-Chair Ure said that while discussions had not led to changes in the text, progress had been made in elaborating what the two options would entail in terms of scope. The text will be forwarded to Cancun as Chapter V of the Chair's text (FCCC/KP/AWG/2010/CRP.3)

**LEGAL MATTERS:** This issue was addressed in a contact group, co-chaired by Gerhard Loibl (Austria) and Daniel Ortega (Ecuador). One of the main areas of disagreement under this group was with regard to the mandate of the AWG-KP, particularly whether option B, on amendments to Protocol Article 3.1 (Annex I parties' aggregate emission reductions), in the Chair's text (FCCC/AWG/KP/2010/CRP.2 Chapter II) was within the mandate of the AWG-KP. Many parties, such as China, Saudi Arabia, Brazil, Bolivia, and the African Group, stressed that this mandate is limited to consideration of amendments to Article 3.9 (Annex I parties' further commitments). Others, including Australia, the EU, Switzerland and New Zealand, emphasized that the need to discuss all proposed amendments in the Chair's text and emphasized that as they prepare to take on obligations for economy-wide emission reductions, they require clarity on what these commitments would entail. Tuvalu, supported by the Federated States of Micronesia, for AOSIS, stressed that consequential amendments, which arise from the amendment of Annex B, must be considered to ensure legal consistency with the Kyoto Protocol.

Following continued debate on the issue, AWG-KP Chair Ashe noted that COP/MOP 5 charged the AWG-KP to engage in discussions based on the report of the COP/MOP, which contained the proposals before parties. He requested parties to discuss the submissions even if they were not their own and emphasized this does not imply that parties will reach consensus. Parties eventually agreed to proceed to substantive issues based on a proposal by Ghana on the understanding that the discussions do not mean endorsement of the options by any of the parties.

China, with support from Brazil, India, Bolivia and Saudi Arabia, requested that the AWG-KP's report reflect that the AWG-KP's mandate is to consider Annex I parties' further

commitments in accordance with Protocol Article 3.9 and that the work programme of the group includes legal matters arising from the AWG-KP's mandate.

Parties then considered the issues in the text that are not being addressed by other AWG-KP groups. They, *inter alia*, discussed proposals to amend Articles 4.2 and 4.3 (joint fulfillment of commitments). Parties also discussed amendment proposals relating to Protocol Articles 9.1 and 9.2, on the review of the Protocol, privileges and immunities, compliance procedures, and entry into force. During the AWG-KP closing plenary, Co-Chair Ortega reported that parties had raised a number of concerns relating to the mandate of the AWG-KP. He noted some parties' wish to have their views on the mandate included in the report of the meeting and said a number of parties also wanted to continue discussions on some of these options at the next session.

**OTHER MATTERS:** In plenary on Monday, Chair Ashe noted that Shin Yeon-Sung (Republic of Korea) would continue to conduct informal consultations with parties on issues of common interest between the AWG-LCA and AWG-KP. During closing plenary, Chair Ashe reported that consultations would continue.

**INFORMAL PLENARY:** An informal plenary took place on Friday, 8 October, to discuss elements of an outcome in Cancun, where parties presented their views. Yemen, for the G-77/China, said a balanced outcome for Cancun would contain an amendment of Annex B and definition of Annex I parties' further commitments. Several parties highlighted the need for a Kyoto Protocol second commitment period.

Australia, the EU, Norway and Switzerland emphasized the importance of framing Kyoto Protocol commitments in the context of a global legally-binding agreement. Australia said that a Cancun outcome should capture progress and could include: an intention to work towards a second commitment period; text to serve as the basis for negotiations; a schedule; and clarity on rules, such as on LULUCF and the mechanisms.

The EU said a Cancun outcome could include inscription of reduction commitments, confirmation of the continuation of the Kyoto Protocol architecture and a work plan to move forward. Norway noted the need to discuss and agree on the necessary parameters to take on commitments in a second commitment period. Japan emphasized that their participation in negotiations under the AWG-KP track is aimed at making progress on rules related to LULUCF, mechanisms and the basket of methodological issues, and that they expect these mechanisms to be part of a framework that includes all major emitters in a single, fair and effective agreement. New Zealand underscored that a final outcome must be ratifiable and stressed that rules must be agreed before commitments can be taken on.

The Federated States of Micronesia, for AOSIS, called for consolidating the Kyoto Protocol foundation as part of the global climate change architecture. She said decisions should address: LULUCF accounting rules; surplus AAUs; new greenhouse gases; a clear path for increasing the emission reduction ambitions of Annex I parties; and an unequivocal commitment to the Kyoto Protocol by Annex I parties. Tuvalu lamented proposals for LULUCF that would create subsidies for the forest industry and noted that these would delay agreement on this issue in Cancun.

South Africa proposed an overarching decision covering both the AWG-LCA and AWG-KP negotiating tracks that would capture the elements of a complete climate change package, give parties assurance that they are working towards a two-track outcome, and anchor elements under both tracks where progress has been made. The Russian Federation said progress in the AWG-LCA track is not sufficient and highlighted that in the absence of certainty on a global agreement under the Convention, they would be unlikely to support a second commitment period.

The Third World Network urged parties to complete negotiations for a second commitment period by Cancun, cautioning against an inferior, deregulated and voluntary emission reduction regime. The International Emissions Trading Association noted "limited to no progress" on issues relating to improvements to the CDM and Joint Implementation and said investors still have no answer regarding a gap in the Kyoto architecture. The Carbon Markets and Investors Association, for BINGOs, stressed that in the absence of clear emission reduction targets, the business community needs, at least, clarity regarding the continued operation of the CDM before, during and after any second commitment period. Climate Action Network, for ENGOs, called for Annex B parties to account for their emissions and not bring "a package of loopholes" to Cancun.

**CLOSING PLENARY:** AWG-KP 14's closing plenary took place on Saturday afternoon. AWG-KP Chair John Ashe noted that the objective at this meeting was to advance substantive work on all issues and to streamline the text. He introduced a revised draft of the proposal by the Chair to facilitate preparations for negotiations (FCCC/KP/AWG/2010/CRP.3) and he requested that any comments on the document be submitted to the Secretariat by 31 October in order to be compiled into a document to be forwarded to Cancun.

Yemen, for the G-77/China, underlined that the continuation of the Kyoto Protocol is an essential and basic element for the future of the climate change regime and that definition of new QELROs for Annex I parties is a "cornerstone" of a Cancun outcome. He stressed that the Cancun meeting can only succeed if Annex I parties make a clear commitment to meet their legal obligations under the two tracks, with the AWG-KP track leading the way.

Belgium, for the EU, said the goal for Cancun should be to make progress and achieve results on: further commitments for Annex I parties; continuation of the Kyoto Protocol architecture; and next steps with a view to a legally-binding outcome. The EU expressed preference for a single legally-binding instrument that would include essential elements of the Kyoto Protocol, but expressed openness to a Kyoto Protocol second commitment period, provided it is part of a wider, more rigorous and ambitious framework.

Egypt, for the Arab Group, lamented the actions of some "major players" who were declaring that they have no intention to commit to a second commitment period. He called on Annex I parties to "shoulder their responsibilities" and keep their commitments, by agreeing on a second commitment period. Bolivia, for ALBA and Paraguay, said it is unacceptable for Annex I parties to make new commitments conditional on greater flexibility for their economies and governments. He also

lamented lack of respect for negotiation procedures, highlighting attempts under the legal matters contact group to change the mandate of the AWG-KP.

The Democratic Republic of the Congo, for the African Group, underlined that agreement to a second commitment period is essential to keep temperature rise below 2°C and welcomed progress made in areas such as LULUCF.

The Umbrella Group said the group was encouraged by the progress made, such as on LULUCF, and underlined that a future agreement should be legally binding and involve all the "major players."

Grenada, for AOSIS, noted that progress was made on some technical issues and underscored the need for more ambitious pledges for Annex I aggregate emission reductions in order to reach a 45% reduction below 1990 levels by 2020.

Lesotho, for the LDCs, called for outcomes on: using certified emission reductions from CDM project activities in LDCs, SIDS and Africa; extending the share of proceeds levy to AAUs and removal units; and increasing the share of proceeds from the mechanisms.

Switzerland, for the Environmental Integrity Group, noted convergence on identifying elements for a Cancun outcome and called on parties to be flexible and accelerate the pace of negotiations. He said parties can improve the rules on LULUCF and mechanisms, and that the package under the AWG-KP has to be balanced with decisions under the AWG-LCA.

Carbon Markets and Investors Association, for BINGOs, highlighted that the private sector is key to mobilizing the finance required to combat climate change and urged parties to send transparent regulatory and capital deployment signals to the private sector. He said Annex I countries must have a range of abatement options, including an improved CDM.

The International Work Group for Indigenous Affairs, for the International Indigenous Peoples' Forum on Climate Change, noted that the Tianjin meeting started on a high note with hopes for substantial progress. She said these hopes had not materialized, lamented the lack of progress during the session, and urged parties to make progress, stressing that vulnerable populations are waiting for progress.

Climate Action Network, for ENGOs, asked for a common space for discussion between the AWG-KP and AWG-LCA, and expressed concern with the proposed reference level approach under LULUCF.

The AWG-KP adopted its report of the session (FCCC/KP/AWG/2010/L.6). Thanking the Chinese Government and the people of Tianjin, Chair Ashe closed the meeting at 5:14 pm.

### **INFORMAL PLENARY**

In an informal plenary on Saturday, 9 October, Patricia Espinosa, Secretary of Foreign Affairs of Mexico and President-Designate of COP 16 and COP/MOP 6, highlighted her commitment to work in an inclusive and transparent manner through a fair and balanced approach. She underscored the differences of opinion on the scope of a balanced package of decisions and called for parties to generate conditions for a new binding agreement. She noted the need for institutional frameworks on adaptation, technology and preserving forests, sound financial structures, institutional framework for preserving



forests, patterns to strengthen the capacity of all countries, and deepened mitigation actions in conformity with common but differentiated responsibilities.

## A BRIEF ANALYSIS OF THE MEETING

“Qiu Tong Cun Yi”

(Seeking common ground while preserving differences)

- the late Chinese Premier Zhou Enlai

With expectations for Cancun massively scaled down, this well-known Chinese proverb characterized the modest aspirations of many arriving at the Tianjin Climate Change Talks, as only six negotiating days remained before the Cancun Climate Change Conference in December. The mandates of both the *Ad Hoc* Working Group on Long-term Cooperative Action under the UN Framework Convention on Climate Change (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) had been extended after they were unable to conclude their work at the Copenhagen Climate Change Conference in December 2009. The reconstituted mandates require them to conclude their work and present their respective outcomes to the 16th Conference of the Parties (COP 16) and the sixth Meeting of the Parties (COP/MOP 6) in Cancun. As a result, the Tianjin Talks focused on identifying issues of convergence on those areas where agreement could be reached and those where parties felt agreement must be reached to attain this goal.

This brief analysis examines the objectives of the Tianjin meeting in the context of what can be expected in Cancun, and the implications for multilateralism.

### LAST STOP BEFORE CANCUN

For the AWG-KP, the objective was to commence work based on the AWG-KP Chair's draft text on Annex I parties' further commitments. This text contains various options on issues including the scale of emission reductions to be achieved by Annex I parties (the so-called “numbers”), improvements to the flexibility mechanisms, and land use, land-use change and forestry (LULUCF). The purpose was to narrow down the options in the text, with a specific focus on the numbers, so as to facilitate further negotiations in Cancun. Under the AWG-LCA, Chair Margaret Mukahanana-Sangarwe identified in her pre-meeting scenario note the need for the AWG-LCA to concentrate on what is achievable in the time remaining before Cancun and what should be the content of the outcome to be presented to the COP. The well-worn Tianjin mantra, on “presenting a balanced set of decisions” to COP 16, emanates from this scenario note, which, to some, means ensuring that there is “something for everyone” and “something on everything.”

Measuring how much progress was achieved on these objectives resides firmly in the eye of the beholder. For some, there was too much progress under the AWG-LCA track and, in comparison not enough under the AWG-KP. For others, the reverse was true. Under the AWG-KP, there appeared to be limited progress on the issue of the base year and length of commitment period for the Kyoto Protocol second commitment period. Many commented that agreement on LULUCF forest management accounting rules, which would bring needed

clarity for agreeing on numbers, is within reach for Cancun. However, with no movement on the issue of the actual numbers, progress during the week was generally regarded, particularly by developing country parties, as useful but far from sufficient.

The AWG-LCA made mixed progress, according to many. For technology and REDD+, where substantial progress had been previously reported, many lamented that some parties had begun throwing up roadblocks and backtracking on previous agreements. As one REDD+ negotiator put it, “this issue was almost ready for adoption in Copenhagen, but it appears now that some are trying to undo what we've achieved to date.” According to a technology enthusiast, “I hope that when we're eventually ready to adopt decisions on technology, we won't have to start negotiating all over again.” In other issues, such as mitigation, parties barely discussed any substance, instead spending much of the week, as a frustrated delegate said, “discussing how to discuss.”

Despite these barriers to moving forward, many delegates commented on the “positive attitudes,” and “deep listening” that characterized the informal discussions. “We are not over the trauma of Copenhagen,” noted one developing country delegate, further recalling tensions during the April and June Bonn meetings, “but we are cautiously optimistic that all parties are negotiating in good faith and in a transparent manner.”

In terms of what this all means for Cancun, expectations have moved from achieving a legally-binding instrument, which was what most had hoped would come out of Copenhagen. Although the form of the final outcome is still unclear, many hope Cancun will at least provide a signal that the AWG-LCA is still working towards a legally-binding outcome. Therefore, the focus for Cancun seems to have shifted from “nothing is agreed until *everything* is agreed” to more realistically “achieving *enough* to send a signal.”

For many, this translates into a simple set of decisions outlining the contours of what will be further elaborated in 2011 and, possibly, beyond.

### BALANCED SET OF DECISIONS

Wide differences began to emerge on the contents of these decisions. For the AWG-LCA, many parties expressed a desire for decisions on all elements of the BAP. Despite well-developed text on adaptation, technology and REDD+, many developed and developing country parties have stressed that there will be no agreement on these issues until clarity is reached on the issues of mitigation commitments or actions for developed and developing countries, the associated measuring, reporting and verification (MRV) of these actions and commitments, and MRV of support to developing countries to implement these actions. Thus for most, mitigation would have to be a central element of a balanced package.

Another element of a balanced package relates to the level of detail within the decision texts. One delegate noted, “even if decisions can be reached on each of the building blocks, parties are going to have to face the fact that some of their well-developed elements may be held back to ensure that nothing proceeds substantively faster than anything else.” Most parties appear to want an agreement on mitigation, but with varying degrees of detail. One major area of disagreement is the inscription of countries' mitigation pledges in a COP decision.

This raises two issues: whether all countries' pledges, or just developed countries' pledges, should be inscribed; and how to "safeguard" the Kyoto Protocol and prevent it from being "killed off." To achieve the latter, some parties supported only inscribing US pledges in a COP decision, with the pledges of the other Kyoto Protocol developed country parties adopted via a Kyoto Protocol second commitment period, and then finding ways to ensure comparability of commitments across the two AWGs. This latter issue relates to the third issue of balance—balance between the two negotiating tracks and ensuring that parties are satisfied with progress under both.

Progress under the AWG-KP will require agreement on a second commitment period for developed country parties. Most developing countries insist that developed countries take on a second commitment period under the Kyoto Protocol, while for most developed countries, a single agreement under the AWG-LCA, which includes all major emitters, is preferable. Thus at the very least, parties advocating a second commitment period will require a clear signal that the Kyoto Protocol will continue. The COP/MOP must adopt a decision that, as one seasoned delegate put it, "keeps the Protocol alive enough for developing countries, but dead enough for developed countries—basically keep it on life support."

One of the key considerations for most parties, if the Cancun outcome is a set of decisions, is to ensure that adoption of these decisions does not become the "end of the road for the post-2012 climate change regime." Some delegates have expressed fear that delivery of a comprehensive set of decisions in Cancun could make a legally-binding agreement "redundant." As a result, however the decisions in Cancun are framed, they must, at a minimum, not pre-judge the legal form of the outcome of the AWG-LCA negotiations and not preclude, prevent or nullify the need for a legally-binding agreement. Concerned delegates have insisted that this point be made clear in the decisions and that the AWGs' mandates be reconstituted to continue their work and present their respective outcomes at COP 17 and COP/MOP 7, to be held in South Africa at the end of 2011.

Therefore, many that have been following the process very closely say that to satisfy most countries, a Cancun outcome must: contain COP decisions on mitigation, adaptation, finance, technology and capacity building; declare that the ultimate goal is a legally-binding outcome; establish a programme for achieving this outcome; and contain a COP/MOP decision highlighting the continuation of the Kyoto Protocol.

How a balance will emerge remains to be seen. Parties have started to identify what should be in the decisions, but have not yet achieved "common ground." As a result, there is still a need for parties to openly discuss how their desired packages of decisions balance these three objectives.

### **CANCUN, SOUTH AFRICA OR BEYOND**

The acceptance that the Cancun Conference will not be the end of the post-2012 regime negotiations and the issue of reconstituting the AWGs' mandates to continue until 2011 have caused some to begin to wonder if there will ever be an end to this process. The final outcome, which most hoped would be a legally-binding instrument, was initially expected in Copenhagen and now it appears unlikely that this will happen until at least 2011. With no clear short-term or long-term roadmap for the way

forward, in her opening address UNFCCC Executive Secretary Christiana Figueres emphasized the need to prevent the world from seeing multilateralism as "an endless road." Yet, some of the press reports of the Tianjin Talks have taken this one step further and have referred to multilateralism, not as an "endless road" but as a "dead end."

There have been calls for increased focus on bilateral, regional or multilateral efforts outside the UNFCCC process, so that politics and bureaucracy do not hinder the task at hand, which is to protect the earth from the dangerous effects of climate change. One delegate supporting action outside the UNFCCC process, cited the Chinese proverb that speaks of "following different paths that lead to the same destination" and said as long as the destination is ensuring a safe climate for himself, his children and future generations, he does not care which path is taken.

Many hope that Cancun will provide the signal to the world that governments are able to tackle the challenge of climate change through multilateralism and that they can establish and follow a short-term roadmap to create a post-2012 climate change regime with the UNFCCC and its Kyoto Protocol playing a central role. To achieve this, parties have called on each other to work with a renewed sense of urgency and flexibility. As participants closed the talks at the Tianjin Meijiang Conference Center before reconvening in Cancun in seven short weeks, one desperate delegate urged parties to "put all games and rhetoric aside and focus on ensuring that we succeed on this path we've been treading on for the past three years."

## **UPCOMING MEETINGS**

**Seventh African Development Forum (ADF VII) on Climate Change and Development:** Convened by the UN Economic Commission for Africa, the African Union Commission and the African Development Bank, this meeting seeks to strengthen Africa's participation in international climate change negotiations. **dates:** 10-15 October 2010 **location:** Addis Ababa, Ethiopia **contact:** Isatou Gaye **phone:** +251-11-554-3089 **fax:** +251-11-551-4416 **email:** igaye@uneca.org **www:** <http://www.uneca.org/adfvii/>

**IPCC-32:** The 32nd session of the Intergovernmental Panel on Climate Change is expected to address the progress on the preparation of the Fifth Assessment Report (AR5), among other issues. **dates:** 11-14 October 2010 **location:** Busan, Republic of Korea **contact:** IPCC Secretariat **phone:** +41-22-730-8208 **fax:** +41-22-730-8025 **email:** IPCC-Sec@wmo.int **www:** <http://www.ipcc.ch>

**Convention on Biological Diversity (CBD) COP 10:** The tenth Conference of the Parties to the Convention on Biological Diversity is expected to, *inter alia*, assess the achievement of the 2010 target to reduce significantly the rate of biodiversity loss. It will be preceded by the fifth Meeting of the Parties to the Cartagena Protocol on Biosafety (11-15 October). **dates:** 18-29 October 2010 **location:** Nagoya, Japan **contact:** CBD Secretariat **phone:** +1-514-288-2220 **fax:** +1-514-288-6588 **email:** [secretariat@cbd.int](mailto:secretariat@cbd.int) **www:** <http://www.cbd.int/cop10/>

**Delhi International Renewable Energy Conference (DIREC):** This will be the fourth global ministerial level conference on renewable energy and will consist of a ministerial meeting, business-to-business and business-to-government

meetings, side events and a trade show and exhibition. **dates:** 27-29 October 2010 **location:** New Delhi, India **contact:** Rajneesh Khattar, DIREC Secretariat **phone:** +91-98717-26762 **fax:** +91-11-4279-5098/99 **email:** rajneeshk@eigroup.in **www:** <http://direc2010.gov.in>

**Global Conference on Agriculture, Food Security and Climate Change:** This meeting, sponsored by the Government of the Netherlands, will address concrete actions to link agricultural policies with emissions reductions and adaptation benefits. **dates:** 31 October to 5 November 2010 **location:** The Hague, the Netherlands **contact:** Ministry of Agriculture, Nature and Food Quality of the Netherlands **email:** [agriculture2010@minlnv.nl](mailto:agriculture2010@minlnv.nl) **www:** <http://www.afcconference.com/>

**Climate Investment Funds (CIF) Trust Fund Committee and Subcommittee Meetings:** This World Bank-sponsored meeting will take place in Washington, DC. **dates:** 8-12 November 2010 **location:** Washington, DC **contact:** CIF administrative unit **phone:** +1-202-458-1801 **email:** [CIFAdminUnit@worldbank.org](mailto:CIFAdminUnit@worldbank.org) **www:** <http://www.climateinvestmentfunds.org/cif/>

**Twenty-Second Meeting of the Parties to the Montreal Protocol (MOP 22):** This meeting is scheduled to take place in Bangkok, Thailand in November 2010. **dates:** 8-12 November 2010 **location:** Bangkok, Thailand **contact:** Ozone Secretariat **phone:** +254-20-762-3851 **fax:** +254-20-762-4691 **email:** [ozoneinfo@unep.org](mailto:ozoneinfo@unep.org) **www:** <http://ozone.unep.org/>

**November G-20 Summit:** The Republic of Korea is chairing the G-20 in 2010. **dates:** 11-13 November 2010 **location:** Seoul, Republic of Korea **contact:** Presidential Committee for G-20 Summit **email:** [G20KOR@korea.kr](mailto:G20KOR@korea.kr) **www:** <http://www.g20.org/index.aspx>

**Sixteenth Conference of the Parties to the UNFCCC and Sixth Meeting of the Parties to the Kyoto Protocol:** The 33rd meetings of the SBI and SBSTA will also take place concurrently. **dates:** 29 November to 10 December 2010 **location:** Cancun, Mexico **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** [secretariat@unfccc.int](mailto:secretariat@unfccc.int) **www:** <http://unfccc.int/>

## GLOSSARY

AAU	Assigned Amount Units
ALBA	Bolivarian Alliance for the Peoples of our America
AOSIS	Alliance of Small Island States
AWG-KP	<i>Ad Hoc</i> Working Group on Further Commitments for Annex I Parties Under the Kyoto Protocol
AWG-LCA	<i>Ad Hoc</i> Working Group on Long-term Cooperative Action under the Convention
BAP	Bali Action Plan
CCS	Carbon capture and storage
CDM	Clean Development Mechanism
COP	Conference of the Parties
COP/MOP	Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol
CTCN	Climate Technology Center and Network
GEF	Global Environment Facility
GHG	Greenhouse gas
ICA	International Consultation and Analysis
IPCC	Intergovernmental Panel on Climate Change
LDC	Least developed country
LULUCF	Land use, land-use change and forestry
MRV	Monitoring, review and verification
NAMA	Nationally Appropriate Mitigation Action
QELROs	Quantified emission limitation and reduction objectives
REDD	Reducing emissions from deforestation in developing countries
REDD+	Reducing emissions from deforestation in developing countries, including conservation
SBI	UNFCCC Subsidiary Body on Implementation
SBSTA	UNFCCC Subsidiary Body on Scientific and Technical Advice
SIDS	Small Island Developing States
TEC	Technology Executive Committee
UNFCCC	United Nations Framework Convention on Climate Change





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The project is conducted in close cooperation with the United Nations Department of Economic and Social Affairs (DESA), in conjunction with the revitalization of SIDSNet, in support of the Barbados Programme of Action, which called for support for "the development of a small islands' sustainable development information network to facilitate the exchange of experience among small island developing States." The launch of SIDS Policy & Practice is timed to coincide with the UN General Assembly's High-Level Review Meeting on the Implementation of the Mauritius Strategy for the Further Implementation (MSI) of the Programme of Action for the Sustainable Development of Small Island Developing States, being held in New York at UN Headquarters on 24-25 September 2010.

IISD RS is fully responsible for the content posted on SIDS Policy & Practice. Information on implementation activities is provided in cooperation with SIDSNet.

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For further information on this initiative or to provide us with information about your SIDS-related activity, please contact Faye Leone, Content Editor, at [faye@iisd.org](mailto:faye@iisd.org).

