

BONN CLIMATE CHANGE TALKS: 10-14 AUGUST 2009

From 10-14 August 2009, the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) are holding intersessional informal consultations in Bonn, Germany, 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 conclude their work by the fifteenth session of the Conference of the Parties (COP 15) to be held in Copenhagen, Denmark, in December 2009.

At the informal session, the AWG-LCA is expected to concentrate on a revised negotiating text, which compiles inputs from parties (FCCC/AWGLCA/2009/INF.1). 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. The expected outcome from the informal session will be a further revision of the text, reflecting consideration by parties. In addition, AWG-LCA Chair Michael Zammit Cutajar (Malta) is planning to consult informally on the legal form of the outcome and further organization of work.

To facilitate negotiations under the AWG-KP, Chair John Ashe (Antigua and Barbuda) has prepared documentation for the informal session, building upon the work of AWG-KP 8 in June 2009. The documentation covers: proposed amendments to the Kyoto Protocol pursuant to Article 3.9 (Annex I parties' further commitments) (FCCC/KP/AWG/2009/10/Add.1); other proposed amendments to the Kyoto Protocol (FCCC/KP/AWG/2009/10/Add.2); a compilation of proposals for elements of draft decisions on other issues, such as land use, land-use change and forestry (LULUCF) and the flexibility mechanisms (FCCC/KP/AWG/2009/10/Add.3); and a compilation of proposals by parties for aggregate and individual figures for Annex I parties (FCCC/KP/AWG/2009/10/Add.4).

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 192 parties.

In December 1997, delegates at COP 3 in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known under the UNFCCC as Annex I parties, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying from country to country. The Kyoto Protocol entered into force on 16 February 2005 and now has 184 parties.

In 2005, the first Conference of the Parties serving as the Meeting of the Parties (COP/MOP 1), held in Montreal, Canada, established the AWG-KP on the basis of Protocol Article 3.9, which mandates consideration of Annex I parties' further commitments at least seven years before the end of the first commitment period. In addition, COP 11 agreed in Montreal to consider long-term cooperation under the Convention through a series of four workshops known as "the Convention Dialogue," which continued until COP 13.

BALI ROADMAP: COP 13 and COP/MOP 3 took place in December 2007, in Bali, Indonesia. The focus of the Bali conference was on long-term issues. These negotiations resulted in the adoption of the Bali Action Plan, which established the AWG-LCA with a mandate to focus on four key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance and technology. The Bali Action Plan contains a non-exhaustive list of issues to be considered under each of these areas and calls for articulating a "shared vision for long-term cooperative action."

The Bali conference also resulted in an agreement on a two-year process, the Bali Roadmap, which covers negotiation "tracks" under the Convention and the Protocol and sets a deadline for concluding the negotiations at COP 15 and COP/MOP 5, to be held in Copenhagen in December 2009. The two key bodies under the Bali Roadmap are the AWG-LCA and the

AWG-KP, which held four negotiation sessions in 2008: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland.

COP 14: During COP 14 in Poznań, AWG-LCA 4 continued discussing all the key elements of the Bali Action Plan. It mandated the AWG-LCA Chair to prepare a document for consideration by AWG-LCA 5 that would focus negotiations on the fulfillment of the Bali Action Plan and a negotiating text for AWG-LCA 6 in June 2009.

AWG-KP 6 held a strategic discussion on all elements of its work programme and decided that in order to finalize agreement on Annex I parties' further commitments at COP/MOP 5, the AWG-KP would need to consider in 2009 the aggregate scale of emission reductions by Annex I parties, the contribution by parties individually or jointly to the aggregate scale, as well as other issues identified in paragraph 49 of its conclusions (FCCC/KP/AWG/2008/8). These issues include: the flexibility mechanisms; LULUCF; greenhouse gases, sectors and sources; potential consequences of tools, policies, measures and methodologies; aviation and maritime bunker fuels; and legal matters.

AWG-LCA 5 & AWG-KP 7: From 29 March - 8 April 2009, AWG-LCA 5 and AWG-KP 7 convened in Bonn, Germany. The main objective of the session was to work towards negotiating text under both AWGs.

The AWG-LCA considered a note prepared by the Chair to focus negotiations on the fulfillment of the Bali Action Plan and on the components of the agreed outcome (FCCC/AWGLCA/2009/4, Parts I and II). Discussions at AWG-LCA 5 focused on further elaborating elements for a draft negotiating text to be prepared by the Chair for the next AWG-LCA session in June 2009.

AWG-KP 7 focused on emission reductions by Annex I parties under the Kyoto Protocol beyond 2012 and on legal issues, including possible amendments to the Protocol. The AWG-KP also considered the other issues in its work programme, including the flexibility mechanisms, LULUCF and potential consequences of response measures. The AWG-KP agreed to request its Chair to prepare two documents for the June session: a proposal for amendments to the Protocol under Article 3.9 (Annex I parties' further commitments); and a text on other issues, such as LULUCF and the flexibility mechanisms.

AWG-LCA 6 & AWG-KP 8: From 1-14 June 2009, AWG-LCA 6 and AWG-KP 8 convened in Bonn, Germany, in conjunction with the 30th sessions of the UNFCCC's Subsidiary Body for Implementation and Subsidiary Body for Scientific and Technological Advice.

AWG-LCA 6 concentrated on developing negotiating text, using a Chair's draft (FCCC/AWGLCA/2009/8) as the starting point. During the session, parties clarified and developed their proposals and the main outcome was a revised negotiating text (FCCC/AWGLCA/2009/INF.1), which is nearly 200 pages long and covers all the main elements of the Bali Action Plan.

AWG-KP 8 continued considering Annex I parties' further commitments under the Protocol. Discussions focused on proposals by various parties for Annex I countries' aggregate and individual emission reduction targets beyond 2012. The

AWG-KP agreed to continue discussions on these as well as on other issues, such as LULUCF and the flexibility mechanisms, based on documentation prepared by the AWG-KP Chair.

By the end of the June session, the Secretariat had also received five submissions from parties for a new protocol under the Convention, and twelve submissions concerning amendments to the Kyoto Protocol, proposed for adoption in Copenhagen.

INTERSESSIONAL HIGHLIGHTS

GREENLAND DIALOGUE: From 30 June to 3 July 2009, a closed-door ministerial gathering on climate change was held in Illulissat, Greenland. The meeting was the fifth in a series of informal discussions launched by the Danish Minister for Climate and Energy, and was attended by 29 ministers and heads of delegation from key countries.

According to the Chair's summary, ministers committed to success in Copenhagen and expressed determination to take action to remain below a global average temperature increase of 2°C above pre-industrial levels. They highlighted the need for leadership by developed countries and appreciated that developing country actions must be strengthened to meet the demands of science. The ministers also stressed, *inter alia*, the importance of finance for an agreement in Copenhagen.

GROUP OF 8/MAJOR ECONOMIES FORUM ON ENERGY AND CLIMATE CHANGE: From 8-10 July, the Group of Eight (G8) summit was held in L'Aquila, Italy. The Major Economies Forum on Energy and Climate Change (MEF) convened concurrently. Climate change was addressed in both meetings.

The G8 leaders recognized the scientific view that the increase in global average temperature ought not to exceed 2°C from pre-industrial levels. They reiterated the global long-term goal of reducing emissions by at least 50% by 2050. As part of this, they supported the goal that developed countries should reduce emissions by at least 80% by 2050. They highlighted the need for mid-term targets consistent with the global goals and for global emissions to reach their peak as soon as possible and decline thereafter.

The MEF, attended by 16 countries and the European Union, resulted in a declaration. The MEF countries resolved to "spare no effort" to reach an agreement in Copenhagen to further implementation of the Convention. They indicated that in the midterm, developed countries should take robust emission reductions and that developing countries should take meaningful actions to reduce emissions compared to "business as usual" levels. The MEF also agreed to cooperate between now and Copenhagen to identify a global goal for substantially reducing global emissions by 2050.

The MEF stressed that adaptation is essential and decided to launch a Global Partnership to drive transformational, low-carbon, climate-friendly technologies. It also stated that financial resources for mitigation and adaptation will need to be scaled up urgently and substantially, and should involve mobilizing resources to support developing countries.

The MEF countries also agreed that they will continue meeting this year to facilitate agreement in Copenhagen.

AWG-LCA AND AWG-KP HIGHLIGHTS: MONDAY, 10 AUGUST 2009

The intersessional informal consultations of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Protocol (AWG-KP) began on Monday. In the morning, both AWGs held their opening meetings. In the afternoon, informal groups met to consider technology and capacity building, Annex I parties' emission reductions and the flexibility mechanisms.

AWG-LCA OPENING MEETING

The AWG-LCA opening meeting began with a tribute to Chow Kok Kee, Malaysia, who passed away on Sunday morning. Yvo de Boer, UNFCCC Executive Secretary, and Malaysia commended Chow Kok Kee's outstanding contribution to the climate change community. Sudan, for the G-77/China, Sweden, for the European Union (EU), Algeria, for the African Group, Switzerland, for the Environmental Integrity Group, Australia, for the Umbrella Group, Japan, the US and the Vice-Chair of the Expert Group on Technology Transfer highlighted his important role in the UNFCCC process and expressed their condolences. AWG-LCA Chair Michael Zammit Cutajar (Malta) noted Chow Kok Kee's firm commitment to the UNFCCC process, reminding delegates that "the clock is ticking for everyone" and urging everyone to make the best use of their time, including this week in Bonn. Delegates then observed a minute of silence.

On the organization of the session, Chair Zammit Cutajar proposed considering the meeting as a part of a three-week phase extending through Bangkok. He noted the length and complexity of the AWG-LCA's negotiating text and that shortening it would be a challenge, reminding delegates that the text discussed prior to Kyoto in October 1997 was only around 30 pages. He identified the need for balanced consideration of the elements of the Bali Action Plan and hoped to have a further revised negotiating text as an outcome from the session.

Chair Zammit Cutajar explained that most of the work would be undertaken in five informal groups on adaptation, finance, technology, mitigation and shared vision, and, in addition, that four groups would focus on sub-elements of mitigation in paragraphs 1(b) iii to vi of the Bali Action Plan. Chair

Zammit Cutajar said he would also consult informally on the establishment of new groups at the next session and on the legal form of the outcome.

On the timetable, the G-77/CHINA stressed that discussions on each element require more time than the proposed 90 minutes. He called for a general policy discussion in a plenary session, followed by three-hour time slots on technology, mitigation, finance and adaptation on Tuesday and Wednesday. He said a mid-week plenary session could take stock of progress, and that shared vision could be addressed later in the week. He said the outcome from Bonn should be a "Bonn parties' text," not a Chair's revised negotiating text. Parties agreed to continue considering the schedule informally on Monday morning.

AWG-LCA INFORMAL GROUPS

TECHNOLOGY: In the afternoon, Kishan Kumarsingh (Trinidad and Tobago) facilitated a three-hour session of the informal group on technology and capacity building.

He invited delegates to focus on the points of convergence in the revised negotiating text (FCCC/AWGLCA/2009/INF.1) with a view to consolidating the text and discussing its structure at a later stage. He identified three broad themes for discussion: what future actions should be included in an agreement; how future actions would be implemented; and financing for technology. Several countries pointed to difficulties in working through the text, noting the duplication of proposals. Several countries, opposed by AUSTRALIA and the US, also requested attribution of proposals.

Uganda, for the Least Developed Countries (LDCs), lamented that their proposals had not been clearly reflected in the text, with GABON noting that the overall picture seemed to be lost. Belize, for the Alliance of Small Island States (AOSIS), said his group was working toward embedding their proposals within those of the G-77/China. He stressed that technology development and transfer must address both adaptation and mitigation, and take into account the special concerns of small island developing states (SIDS), especially those dealing with economies of scale and geographical remoteness.

The Philippines, for the G-77/CHINA, called for focusing on how actions would be implemented and opposed consideration of proposals inconsistent with the Convention. COLOMBIA emphasized the importance of reflecting all existing

commitments under the Convention. LDCs, with SAUDI ARABIA, noted the limited success to date in implementing technology development and transfer.

CANADA stressed the importance of enabling a country-driven approach, and identified areas of common interest, including: national actions to drive technology development and deployment; supportive policy and regulatory frameworks; private sector engagement; technology needs assessments (TNAs) as a primary tool; and regional innovation centers. The EU identified four areas for further convergence, namely TNAs, capacity building in the context of technology, enabling environments and research, development and demonstration. Facilitator Kumarsingh also identified some areas of convergence, including cooperative research and development (R&D), innovation centers, TNAs, technology roadmaps and technology action plans.

The US highlighted emerging convergence on the “what” and “how” regarding R&D, innovation centers, technology action plans and some aspects of TNAs. He noted divergence on implementing financing, and stressed the need to consider how intellectual property rights (IPRs) would be managed. He said capacity building should be addressed with respect to technology development and transfer alongside the requisite enabling environment.

AUSTRALIA highlighted the importance of objectives and principles, noting sharp differences regarding IPRs. NORWAY identified the need to discuss the objectives and principles of a technology transfer framework.

The G-77/CHINA pointed to clear divergence between developing and developed parties on certain issues and emphasized that financing outside the framework of the financial mechanism would be unacceptable. CHINA highlighted three priorities for consideration, namely: institutional arrangements and the importance of promoting action under the UNFCCC; a funding mechanism; and an international action plan for addressing joint R&D, IPR issues and innovation centers. SAUDI ARABIA highlighted the benefits of carbon capture and storage (CCS) technology, called for technologies that facilitate economic diversification, and opposed limiting technology transfer to the renewable energy sector.

JAPAN said more clarification was needed on concepts, such as TNAs, and pointed to divergent views on whether financial support should be strengthened by establishing a new institution.

LDCs lamented the lack of concrete actions on partnering with the private sector in emerging technologies, and hoped for a lean but effective institutional framework to promote action. BANGLADESH supported R&D to identify the most cost-effective technologies and called for an IPR waiver, particularly for LDCs. He supported a process to review progress of technology action plans, as well as capacity building for technology adaptation.

Noting many proposals are concepts that do not materialize into tangible actions, ARGENTINA underscored the need to establish funding and institutional mechanisms targeting actions towards technology development and capacity building. She said such actions must be linked to mitigation and adaptation, and urged addressing incentives for technology transfer and development.

INDIA: suggested identifying and eliminating paragraphs and proposals that are inconsistent with the Bali Action Plan and the Convention; highlighted the fundamental differences between developing and developed country views; said the divergence and convergence conundrum was not easily resolvable; and urged reforming the IPR regime.

South Africa, for the AFRICAN GROUP, said implementation should focus on addressing barriers to finance and IPRs with a balanced emphasis on mitigation and adaptation technologies. Noting more convergence under “what” than “how”, she said discussion should focus on issues where there is convergence on both. She noted divergence on, *inter alia*: means of financing; institutional arrangements; and public versus private sector finance in the context of adaptation technologies.

BRAZIL called for a strengthened institutional structure to achieve implementation of the Convention. PAKISTAN supported incentives for technology patent holders and respect for IPR, taking into account flexibilities within the IPR regime.

Regarding capacity building, TANZANIA stressed the strengthening of, *inter alia*, research observation and knowledge management, endogenous capacity, education and awareness, and early warning and monitoring. He said measures, including a strict compliance regime, must be in place. The AFRICAN GROUP highlighted capacity building as central to all the building blocks. BRAZIL emphasized knowledge and information sharing. GABON supported a general policy debate to clearly define principles. AUSTRALIA asked that the Facilitator share his thoughts with parties before the next session on Tuesday.

AWG-KP OPENING MEETING

AWG-KP Chair John Ashe (Antigua and Barbuda) opened the informal session and introduced the documents (FCCC/KP/ AWG/2009/10 and Add. 1-4). He explained that the work would be carried out by informal groups focusing on: Annex I aggregate and individual emission reductions; other issues, including LULUCF and the flexibility mechanisms; potential consequences; and legal matters. He said the legal matters group would meet as needed. Chair Ashe highlighted that no informal group meetings would overlap and as many as possible would be open to observers.

NEW ZEALAND announced a mid-term target to reduce emissions by 10-20% below 1990 levels by 2020. He explained that the ambitiousness of the target was contingent on a global agreement to limit temperature rise to 2°C, comparable commitments from developed countries, efforts from advanced developing countries commensurate with their capabilities, an effective set of rules for LULUCF and full recourse to a broad and efficient carbon market.

AWG-KP INFORMAL GROUPS

ANNEX I EMISSION REDUCTIONS: Leon Charles (Grenada) and Gertraud Wollansky (Austria) co-chaired the informal group on Annex I Parties’ aggregate and individual emission reductions.

Co-Chair Wollansky introduced the relevant documents (FCCC/KP/ AWG/9, FCCC/KP/ AWG/2009/10 and Add.1 and 4). On the group’s work, she proposed, *inter alia*, undertaking three technical exercises on: emission reduction targets submitted by parties and the underlying assumptions; calculation of assigned

amounts for the second commitment period; and how to turn parties' pledges into quantified emission limitation and reduction objectives (QELROs). Co-Chair Wollansky proposed using any remaining time to revise and streamline the documentation, as well as holding a final discussion with the informal group on other issues. Emphasizing that the focus should be on issues rather than text, CHINA stressed that the mandate was not to streamline the documentation and create a negotiating text. TUVALU called for a better reflection of his country's proposals in the document.

Co-Chair Wollansky proposed beginning substantive discussions with issues that were not addressed at the previous session. Parties identified additional areas for discussion, including: base year; review; expression of commitments; amount of emission reductions that can be achieved through market mechanisms; and criteria for allocating commitments among countries.

Parties then considered the establishment of assigned amounts. NEW ZEALAND highlighted an option that would provide parties with flexibility to establish commitments either as QELROs or as absolute emission reductions. JAPAN stressed their proposal to express targets as absolute emission reductions, while TUVALU said that having multiple metrics would complicate things and make it difficult to determine Annex I aggregate emission reductions. The REPUBLIC OF KOREA said this option was not relevant for the AWG-KP's mandate to amend Annex B. SWITZERLAND and JAPAN stressed that discussing the options was difficult without clarity on other issues including LULUCF.

OTHER ISSUES (FLEXIBILITY MECHANISMS):

AWG-KP Vice-Chair Harald Dovland (Norway) chaired the informal group on other issues. He proposed devoting three sessions to LULUCF, three to four sessions to the flexibility mechanisms, and a final session to new greenhouse gases and the common metrics to calculate global warming potentials. He explained that a spin-off group would meet to address LULUCF.

On the flexibility mechanisms, Vice-Chair Dovland noted disagreement over proposals that require amendments to the Protocol and suggested starting with options for draft decisions in FCCC/KP/AWG/2009/10/Add.3. CHINA, supported by KUWAIT and SAUDI ARABIA, stressed that the purpose of the documents was to facilitate discussion and therefore they should not be used as the basis for negotiation over text.

On encouraging the development of standardized, multi-project baselines under the Clean Development Mechanism (CDM), the EU highlighted the benefits of multi-project baselines, in terms of transparency, reduced transaction costs and the possibility of improving environmental integrity. JAPAN supported multi-project baselines, noting the missed CDM opportunities due to the complexity of setting baselines. He highlighted the usefulness of considering carbon intensity. FEDERATED STATES OF MICRONESIA noted that multi-project baselines would improve the efficiency of the CDM while stressing the need to maintain environmental integrity.

BRAZIL, supported by CHINA, ARGENTINA and COLOMBIA, preferred the option of not taking a decision on the issue. BRAZIL stressed environmental integrity and the need for real and measurable emission reductions, and expressed concern with setting standardized baseline levels and over who sets them. CHINA noted that a decision on standardized baselines would mean micromanaging the CDM Executive Board's work.

NEW ZEALAND, supported by AUSTRALIA and ETHIOPIA, stated that it is not practical to proceed with mandatory baselines. INDIA encouraged the CDM Executive Board to develop country and regionally specific baselines. ETHIOPIA stressed the advantages of multi-project baselines for facilitating projects in places with limited CDM experience. Vice-Chair Dovland highlighted the need for more consideration of the types of projects that would receive standardized baselines and the basis for the establishment of parameters and procedures to facilitate standardized baselines.

Parties then discussed whether CDM project activity types should be placed on positive or negative lists based on technologies, host country or project scale. SENEGAL, supported by BRAZIL, INDIA and the GAMBIA, highlighted the proven additionality of small-scale renewable technology and supported the development of positive lists. The REPUBLIC OF KOREA agreed but cautioned against listing project activities based on the host country. NEW ZEALAND further noted that consideration of the host country increases complexity without added environmental benefit. JAPAN stressed the need to consider the regional distribution of CDM projects. TUVALU said the option of negative lists should not be deleted, as he was unsure of how technologies, like nuclear energy, would be addressed.

IN THE CORRIDORS

Despite August being the holiday period for many delegates during the Northern summer, nearly 2,500 participants registered for the informal consultations in Bonn. "It almost feels like we never left Bonn anyway," commented one. Another delegate quipped: "It's like six weeks never happened."

Many also commented that they had regularly seen their colleagues at other informal meetings since the end of Bonn II in June. "Some of those meetings were quite useful," assessed some delegates. In particular, those parties and NGO representatives who attended the seminar on the post-2012 legal architecture, organized in Bonn last Friday, commented that the discussions had clarified positions and options for the legal outcome in Copenhagen.

Turning to their expectations for this session and the road to Copenhagen, some delegates predicted that the session would focus on incremental progress in refining and streamlining the texts - with many worrying about the length and complexity of the AWG-LCA negotiating text. Others commented on differences revealed during the day's discussions under both AWGs on whether the session should be about advancing negotiations on the texts or just having general discussions on issues. "Without some real work soon, it will be very difficult to get to a 30-page negotiating text," sighed one.

On the Protocol side, some delegates commented that it was difficult to discuss many of the options since the details were dependent on how other elements of the deal would be structured. Some developing country delegates, however, felt optimistic after the afternoon's discussions, saying that the AWG-KP rooms were filled to the brim, and people were reengaging in the Protocol process.

In Memoriam: The *Earth Negotiations Bulletin* expresses its deepest sympathies to the family of Chow Kok Kee.



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AWG-LCA AND AWG-KP HIGHLIGHTS: TUESDAY, 11 AUGUST 2009

Throughout Tuesday, several informal groups under the AWG-LCA and the AWG-KP met to discuss issues, including technology and capacity building, finance, mitigation, Annex I parties' emission reductions, potential consequences, LULUCF and flexibility mechanisms.

AWG-LCA INFORMAL GROUPS

TECHNOLOGY: During the morning's informal session, Facilitator Kumarsingh introduced a table indicating areas of perceived convergence and divergence as a tool for moving forward.

The G-77/CHINA highlighted the benefits of addressing the text's guiding principles. BANGLADESH suggested prioritizing items that can be fast-tracked, and said capacity building and finance in the context of technology should be addressed on a sectoral basis, focusing first on the most urgent needs of countries. The EU called for more precision on technology and capacity building, and highlighted that a deal in Copenhagen would result in a large increase in technology transfer and capacity building.

AUSTRALIA, CANADA, the EU and JAPAN supported establishing small groups to address specific issues, while the G-77/CHINA opposed having smaller groups at this point. The LDCs suggested that the main issues should first be addressed in a large group, while smaller groups could focus on removing brackets at a later stage.

CANADA, supported by JAPAN and the US, stressed that capacity building is a crosscutting issue that is a means and not an end in itself, and JAPAN said an independent section on capacity building was unnecessary. AOSIS suggested devoting three-quarters of the time to technology transfer and the rest to capacity building so as not to confuse the issues. TANZANIA supported a dedicated discussion on capacity building.

Following a short break to allow group consultations, the G-77/CHINA disagreed with some of the areas identified as having convergence. She said objectives and principles should be addressed first, and noted financing as an area of divergence. The US said: TNAs, capacity building and enabling environments should be dealt with separately; more clarification was needed on concepts such as "incentive mechanisms" and "technology information;" no convergence existed on the need for a body to oversee action; and references to finance should be moved to the finance section.

SAUDI ARABIA supported removing text that contradicts the Convention and the Bali Action Plan (BAP). The EU stressed reducing redundancy in the text, and suggested making concrete progress on areas where convergence exists to build trust before addressing areas of divergence. BRAZIL requested clarification on the meaning of divergence and convergence. NORWAY noted main areas of divergence related to, *inter alia*, how to stimulate action, incentives and support from developed to developing countries.

The US noted preference for discussing topics on which progress could be made such as cooperative R&D, TNAs, capacity building, enabling environments and regional technology centers. CANADA underscored that the discussion should be focused on development, deployment and transfer of technology, rather than just technology transfer.

The US opposed any discussion of changes to the IPR regime and any text that sought to undermine or weaken that regime, and requested its removal from the table. GHANA identified IPRs as a problem for developing countries, and, with BANGLADESH, UGANDA, INDONESIA, ARGENTINA and BOLIVIA, stressed that the IPR regime should be modified so that it does not constitute a barrier to technology transfer. Facilitator Kumarsingh said that parties could meet informally if they so wished to discuss pertinent issues.

MITIGATION: In the morning, Chair Zammit Cutajar facilitated the informal group on mitigation. The Secretariat presented on the mitigation chapter and Chair Zammit Cutajar explained that he would be seeking guidance from parties on proposals which did not fit into any of the sections.

During the general discussion, Brazil, for the G-77/CHINA, stressed the need to focus on advancing the Convention's implementation without altering its principles and provisions. He stated that developed countries must take on quantified, economy-wide reduction commitments and called for clear mid- and long-term commitments. The G-77/CHINA stressed that nationally appropriate mitigation actions (NAMAs) by developing countries are distinct from quantified mitigation commitments by developed countries and proposals must reflect this, avoiding treatment of mitigation contributions of all parties in a non-differentiated, unified manner.

INDIA proposed that the text should be consolidated, where appropriate, and language not fully compatible with the Convention should be eliminated. He suggested that to avoid

duplication, text derived from the proposed new protocols or implementing agreements should either be considered under the negotiating text or separately during COP 15.

AUSTRALIA said that reference to a global long-term goal should be set out clearly in the shared vision component of the text. The US suggested including a section after the title outlining common actions and strategies for all parties, including monitoring, reporting and verification (MRV) of these actions and strategies. Barbados, for AOSIS, called for keeping the text's structure consistent with the BAP and suggested moving proposals relating to the text's structure to a separate document.

South Africa, for the AFRICAN GROUP, expressed concern with proposals to link NAMAs with the carbon market and noted that MRV of NAMA support by developed countries requires more consideration. Tanzania, for the LDCs, called for: economy-wide, legally binding commitments by all developed countries; a stricter compliance regime; clear comparability of efforts; and consideration of limits to offsetting. On mitigation by developing countries, he identified means of NAMA implementation, as well as MRV of the means of NAMA implementation, as the key issues.

On mitigation by developed countries, the EU highlighted the need for: comparability criteria to guide the negotiations; MRV that builds on experiences and practices under the Protocol; and a linkage with the AWG-KP discussions. On developing country mitigation, he proposed considering the "lifecycle of NAMAs" and discussing how to formulate effective NAMAs, take technology and financing needs into account, match action with support and evaluate the results.

CANADA identified convergence around certain ideas, including that developed countries must take the lead through mid-term emission reductions, and called for a "holistic view" on the comparability of efforts, taking into account a range of mitigation actions. He highlighted the need for MRV and national inventories to strengthen understanding of global emission trends, and called for a compliance and review system that enables parties to meet commitments and strengthens confidence. GABON stressed the crucial role of trust and confidence for an agreement in Copenhagen.

SAUDI ARABIA and CHINA warned against attempts to renegotiate the Convention and its principles. SAUDI ARABIA stressed that the revised negotiating text must be developed by parties rather than the Chair and Secretariat. He opposed protectionist measures by developed countries on developing country exports.

CHINA said developed countries should take efforts that are comparable in nature and magnitude, including quantified and legally binding targets, and that MRV for developed countries should be based on rules and procedures used under the Protocol. INDONESIA called for legally binding emission reduction commitments by developed countries, highlighting that reducing emissions under domestic legislation is not consistent with the BAP. With CHINA, she stressed that NAMAs should be voluntary and cannot be used for offsetting by developed countries. CHINA proposed that support for NAMAs should be provided through the Convention's mechanisms.

CHILE identified the need to bring all countries together in a joint effort to agree on mid- and long-term targets, and highlighted that NAMAs should be voluntary and supported by finance and technology. BOLIVIA stressed that developed countries have accumulated an atmospheric debt and expressed hope for ambitious reduction targets consistent with the magnitude of the problem.

JAPAN supported setting a mid-term target in the form of quantified emission limitation and reduction objectives (QELROs) for developed countries, as well as NAMAs and low-carbon growth strategies for developing countries. He emphasized that developed country commitments and developing country actions are linked and should be subject to MRV.

MITIGATION (paragraph 1(b)(iii) of the BAP): In the afternoon, Tony La Viña (the Philippines) facilitated the informal sub-group on paragraph 1(b)(iii) of the BAP (REDD-plus). He proposed that parties address issues including: objectives and scope of REDD-plus; financing for readiness activities; financing for full implementation; relationship with NAMAs; national reference levels; and subnational REDD-plus actions. He requested a mandate to meet interested parties in individual consultations throughout the week, develop a text and update parties frequently. Parties broadly agreed to this but some expressed concern regarding a lack of transparency, and the need to ensure a multilateral process. NORWAY requested consideration of their complete proposal. TUVALU, BOLIVIA and SWITZERLAND stressed incorporation of indigenous peoples in the deliberations.

Regarding discussion on financing for the readiness activities phase, AUSTRALIA and CANADA proposed addressing commonalities in the objectives. GUYANA and PAPUA NEW GUINEA supported discussion on financing, highlighting the centrality of finance to success. COLOMBIA suggested breaking the discussion into what will be financed by the fund and where finances will come from. INDONESIA, SWITZERLAND and others supported this, calling for initial discussion on what will be financed, though BRAZIL noted the likely complexity of considering rules of eligibility. TUVALU, supported by NORWAY and ZAMBIA, considered financing of readiness activities and implementation to represent a spectrum within a single issue. The PHILIPPINES proposed that parties should learn from existing efforts in REDD implementation. TANZANIA highlighted the role of REDD as an incentive to local communities to continue mitigation activities. NEW ZEALAND questioned whether the details of REDD needed to be negotiated for Copenhagen.

MITIGATION (paragraph 1(b)(iv) of the BAP): In the afternoon, Farrukh Khan (Pakistan) facilitated the informal sub-group on paragraph 1(b)(iv) of the BAP (cooperative sectoral approaches and sector-specific actions). He noted that certain areas in the text required further clarity, and requested parties focus on questions, including what cooperative sectoral approaches should and should not do, what they should do for Annex I parties and non-Annex I parties, and what should they do for all parties.

JAPAN emphasized the potential of sectoral approaches to reduce emissions in both developed and developing countries, and noted that they help promote technology transfer and capacity building in developing countries. Brazil, for the G-77/CHINA, said proposed actions in sectors should be voluntary and compatible with an open international economic system. SAUDI ARABIA said sectoral approaches should enhance implementation of Convention Article 4.1(c) (development, application and diffusion, including transfer, of technologies). He said they should not be used to set sectoral goals or targets or compare sector-specific actions between countries or regions. INDIA said all proposals must relate to Convention Article 4.1(c), and opposed harmonization of sectoral standards.

The EU said opportunities to increase efficiency and sustainability through sectoral approaches should not be ignored, and said the shipping and aviation sectors should be included in a global agreement. NORWAY and SINGAPORE suggested that the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO) update the group on recent activities, while SAUDI ARABIA said this was not the venue for observer organizations to give reports. INDIA said they should explain how these proposals embody common but differentiated responsibilities, and how they relate to Convention Article 4.1(c). The IMO noted 75% of ships in international trade are registered in non-Annex I countries, implying massive technology transfer for these ships, and said that funds generated under market-based approaches would be used for climate change purposes in developing countries. ICAO reported on the programme of action on aviation and climate change.

Algeria, for the AFRICAN GROUP, said sectoral approaches were best applied at the national level, and, regarding the aviation sector, said additional constraints or incremental costs should not be imposed on developing countries.

AUSTRALIA said sectoral approaches can assist parties in meeting obligations, but that they should not replace economy-wide commitments or be imposed on countries. The US noted that expertise resides at the sectoral level, which provides a good vehicle to promote cooperation, and noted overlap with sections on technology, adaptation and mitigation.

TUVALU said the section on sectoral approaches could be simplified and should not be too prescriptive or highlight specific sectors, with the exception of bunker fuels. CANADA noted duplication and called for coherence with the section on technology. Facilitator Khan said a paper structuring proposals and ideas on objectives, scope and policy guidelines around the five questions will be made available by Thursday.

FINANCE: In the afternoon AWG-LCA Vice-Chair Luiz Machado (Brazil) facilitated the informal group on finance. He requested that the Secretariat prepare a table reflecting areas of convergence and those requiring further discussion. He suggested addressing guiding principles, including access and dispersal, while postponing discussion on mobilization of funds. He also listed for discussion: questions of accountability, equity and balanced representation of all parties; coherence and coordination of funding sources; approaches for access and dispersal of funds; and addressing the needs of vulnerable developing countries.

The Philippines, for the G-77/CHINA, highlighted the accountability of the financial mechanism to the parties, the requirement to mobilize financial resources and the principle of equity.

BANGLADESH emphasized the need for a financial architecture under the UNFCCC, in conformity with the BAP, providing easy and direct access to resources especially for the most vulnerable countries. Barbados, for AOSIS, underscored the need to increase resources to fight climate change, provide funding for implementation of development plans and develop direct and simplified access to finance especially for SIDS and LDCs.

The US highlighted a number of domestic developments including his country's first contributions to the LDC Fund and the Special Climate Change Fund. On sources of funding, he stressed the role of private sources in generating the scale of financing needed. CANADA highlighted the need to catalyze private financial flows and investment and called for prioritizing the needs of the poorest and most vulnerable countries, as well as maximizing the effectiveness of existing institutions, frameworks

and networks. AUSTRALIA said all sources of funding are important, including public and private funds, as well as the carbon market, and called for a decentralized approach in order to facilitate access to funding.

South Africa, for the AFRICAN GROUP, said that it would not support text stipulating that all parties must contribute financial resources nor an approach suggesting differentiation among developing countries on access to financial resources. On the scale of finance, she stated that the African Group would not accept an agreement on finance without a financial commitment of one percent of global GDP. UGANDA, for the LDCs, highlighted difficulties in implementing national adaptation programmes of action (NAPAs) due to inadequate resources. On sources, he said that funds should be largely public and the mobilization of resources should take into account equity proportional to historic contributions to climate change.

SAUDI ARABIA emphasized that text requiring financial resources from developing countries would contravene the Convention's principles and stressed that finance should be based on public funding rather than from taxes that would impact exports from developing countries. CHINA said that the increasing emphasis on the private sector as a source of finance would lead to unpredictable funding, stressing that finance should be provided by the public sector and constitute at least 0.5-1% of developed countries' GDP. The G-77/CHINA and other developing countries emphasized the importance of MRV to successful mobilization of financial resources as well as providing the COP with direct control over governance.

Using a hybrid car as an analogy, MEXICO noted that a hybrid set of financial mechanisms was needed with "different sets of engines that can be coordinated to ensure the vehicle is moving at the proper speed."

AWG-KP INFORMAL GROUPS

POTENTIAL CONSEQUENCES: In the morning, Mama Konaté (Mali) and Andrew Ure (Australia) co-chaired the informal group on potential consequences. Co-Chair Konaté recommended that delegates work through the text forwarded by AWG-KP 8 (FCCC/KP/AWG/2009/9). Several countries noted that it is premature to determine the form of the outcome at COP/MOP 5 and that discussion should focus on making progress on the text. Parties agreed to move bracket-by-bracket through the text in annex I of the document.

Parties discussed language on issues including: basis of the AWG-KP's consideration of potential consequences; relevant COP/MOP decisions and articles of the Protocol; and framing of the work. Regarding the basis, developing countries recommended removing reference to the Convention, noting that the text is specifically in reference to the Protocol. South Africa, for the G-77/CHINA, expressed concern that the current formulation of the paragraph on the basis would introduce conditionalities and standards.

Regarding framing of the work, several developed countries underscored the repetitiveness of the current formulation, while the G-77/CHINA said that, although they recognize positive consequences, the text should emphasize minimizing negative consequences for developing countries. NEW ZEALAND noted that the text captures three separate ideas: striving to reduce negative consequences; that there are positive and negative consequences of mitigation actions; and that the focus of work is on the negative impacts in developing countries.

OTHER ISSUES (LULUCF): In the morning, Marcelo Rocha (Brazil) and Bryan Smith (New Zealand) co-facilitated the sub-group on LULUCF. Co-Facilitator Rocha proposed to focus

the week's discussions on data submission, CDM-related issues and natural disturbance and forest management, respectively. He explained that due to concerns expressed by several parties, small groups would not convene and he suggested bilateral discussions.

TUVALU, supported by COLOMBIA, noted the need to consider how LULUCF fits into the proposed new protocols, while the EU, CANADA and AUSTRALIA expressed concern with discussions of legal issues in this group. PAPUA NEW GUINEA called for also addressing land-based accounting. Parties agreed to take these issues up at one of the subsequent meetings.

Co-Facilitator Smith outlined key questions on data submission. Parties agreed on the utility of data submission with some noting that data increases transparency and clarifies the implications of LULUCF proposals on targets. GUYANA called for Annex I countries to provide data on the contribution of LULUCF to their targets. Many suggested that data submission would ideally occur before AWG-KP 9 in Bangkok, while noting the practical challenges of assembling data. SWITZERLAND highlighted the need for raw data that could be used under a variety of rule scenarios. On whether LULUCF rules are needed before countries submit data, CANADA suggested that two types of data were being discussed: basic data that is readily available; and scenarios and projections, which require more information and are not likely to be available for Bangkok. NORWAY, supported by the EU, PAPUA NEW GUINEA, CANADA and others, noted the need for general guidance on data submission requirements to realize consistency among countries.

ANNEX I EMISSION REDUCTIONS: During the technical exercise focusing on possible targets submitted by parties, the Secretariat introduced the note compiling information relating to possible QELROs as submitted by the parties. Parties then clarified explanations of the assumptions underlying their numbers. On their proposed reduction target of 10 to 20% below 1990 levels by 2020, NEW ZEALAND highlighted that it assumed continuation of current LULUCF rules, as well as full recourse to carbon markets and flexibility mechanisms due to the high cost of domestic mitigation. In response to questions, she said that action by advanced and major developing countries should be determined on a country-by-country basis, using a variety of factors including GDP *per capita*, composition of the economy and mitigation potential, amongst others.

JAPAN then explained its national target of reducing emission by 15% from 2005 levels by 2020, stressing that it included only domestic efforts without flexibility mechanisms and LULUCF. Responding to questions, he noted that a single base year is not appropriate for all parties and that targets should not be set by individual countries taking into account their own national mitigation potential. He also underscored that Japan's target for the first commitment period was very ambitious compared to other countries.

OTHER ISSUES (MECHANISMS): In the afternoon, parties continued considering elements of draft COP/MOP decisions on the mechanisms (FCCC/KP/AWG/2009/10/Add.3).

The LDCs, the G-77/CHINA, the REPUBLIC OF KOREA, JAPAN and others supported retaining text on improving access to CDM projects by specified host parties, while the EU preferred taking no decision. He listed alternatives for addressing regional distribution, including programmatic CDM, standardized baselines and sectoral mechanisms.

On promoting co-benefits for CDM projects, BRAZIL, INDIA, the PHILIPPINES and others supported taking no decision, while JAPAN, SAUDI ARABIA, KUWAIT and others

supported addressing co-benefits. Several parties supported deleting text on requiring each CDM project to demonstrate specified co-benefits, while retaining text on support for projects that demonstrate specified co-benefits.

On multiplication and discount factors under the CDM, JAPAN, CHINA, KUWAIT, INDIA, BRAZIL and others preferred no decision. CHINA and BRAZIL stressed the subjective nature of such factors and KUWAIT, JAPAN, SAUDI ARABIA and others highlighted the need to avoid complexity. The EU argued that it would be difficult to establish standardized baselines without discount factors but opposed multiplication factors. The REPUBLIC OF KOREA supported either discount or multiplication factors, and ARGENTINA expressed support for multiplication factors.

On modalities for treatment of CDM projects upon graduation of host parties, CHINA, BRAZIL, the PHILIPPINES and others supported no decision. BRAZIL stressed that the proposal would require an amendment to the Protocol and the REPUBLIC OF KOREA emphasized that it falls outside the AWG-KP's mandate. The EU, JAPAN, AUSTRALIA and NEW ZEALAND supported addressing the issue, with the EU stressing the need to decide what happens to CDM projects in EU members that are non-Annex I parties. The EU and others, opposed by JAPAN, suggested deleting text on converting CDM projects into joint implementation projects.

On carry-over (banking) restrictions on Kyoto units, UKRAINE, the RUSSIAN FEDERATION and others supported no restrictions on banking beyond the second commitment period, while the LDCs, AOSIS, SUDAN and others preferred extending current restrictions to the subsequent commitment periods.

IN THE CORRIDORS

Tuesday was an extremely busy day for many delegates with numerous informal groups and sub-groups meeting throughout the day. Feelings on the process and progress seemed mixed. "Some negotiators seem confused as to whether the informal session constitutes a further exchange of views, or a negotiating session aiming at consolidation of the text," sighed one and continued: "Some parties appear not to be committed to advancing the text in the absence of a formal session." Others, however, were optimistic: "This is exactly how I expected it to be at this stage – this is part of the process that we must go through to get to the next level."

As delegates dove deeper into the issues on the AWG-LCA side, the Chair also convened a session of informal consultations on the legal form of the outcome in the evening to continue discussions that began at Bonn II. Some, especially larger developing countries, continued to argue that the "form should follow function" and reiterated difficulties in agreeing on the legal form before knowing what the outcome will look like, suggesting the futility of continuing the informal group before Copenhagen for this very reason. Others, however, seemed frustrated that the conversation had not advanced since Bonn II, and that parties still seemed to be a long way off from reaching agreement on the issue. Some delegates commented on some shifting positions with some developing countries for the first time verbalizing their desire for a legally binding instrument. Certain developed country delegates, in turn, were heard contemplating ways to have a single new protocol, building the AWG-LCA's outcome on the existing legal architecture. Some developing country negotiators seemed concerned. "One thing is for sure – this question is still far from being resolved," stated one.

AWG-LCA AND AWG-KP HIGHLIGHTS: WEDNESDAY, 12 AUGUST 2009

In the afternoon, the AWG-LCA convened a mid-week stocktaking meeting. Throughout Wednesday, several informal groups under the AWG-LCA and the AWG-KP met to discuss issues including adaptation, shared vision, mitigation, Annex I parties' emission reductions, LULUCF and the flexibility mechanisms.

AWG-LCA STOCKTAKING MEETING

During the AWG-LCA's mid-week stocktaking meeting, Chair Zammit Cutajar reviewed progress during the first two and half days.

The G-77/CHINA identified the need to consider ways of combining elements of the text, while maintaining party ownership and representing all views in a balanced way. While noting that coordinating and consolidating proposals within the Group is time consuming, she highlighted that coordinated positions by developing countries will advance negotiations.

The US expressed appreciation of the work by the chairs and facilitators. The EU said they were also relatively satisfied with progress and commended, *inter alia*, the approach of focusing on areas of convergence. Mexico, for the ENVIRONMENTAL INTEGRITY GROUP, stressed the need to switch to full negotiating mode and to have a workable negotiating text in Bangkok. He proposed encouraging countries with similar ideas to consult amongst themselves and with other interested parties. SUDAN stressed the right to full participation by all parties and the need to consult parties on scheduling.

SAUDI ARABIA warned that during consolidation care must be taken not to dilute or delete proposals. The G-77/CHINA, SAUDI ARABIA, BOLIVIA and SUDAN proposed including attributions in the text. Chair Zammit Cutajar noted original instructions to him in preparing the text not to attribute proposals and noted that, when consolidating text, attribution becomes more difficult. He said these issues could be discussed during the evening's informal meeting.

On the text's structure, Chair Zammit Cutajar noted that some questions are political and conceptual, while others relate to placement of text and other structural issues. INDIA stressed fundamental differences concerning mitigation under paragraphs 1(b)(i) and 1(b)(ii), and, with the PHILIPPINES, highlighted that MRV is also different under these paragraphs. Chair Zammit Cutajar said this could be considered under mitigation. He identified placement of provisions on finance and technology as an issue requiring consideration. The G-77/CHINA

expressed preference for keeping provisions on the means of implementation in the relevant substantive chapters rather than in the finance chapter.

On institutional arrangements, Chair Zammit Cutajar indicated that he had requested the Secretariat to create a matrix of institutional arrangements and their functions related to adaptation. He explained the aim to compare different proposals to facilitate discussions and said similar matrices will be produced on other elements by Bangkok. CANADA proposed including existing institutions. Barbados, for AOSIS, supported by SAUDI ARABIA, stressed that the matrices should only be used to help negotiations rather than eliminate proposals. The G-77/CHINA highlighted that attributions would be useful also for considering the matrix.

AWG-LCA INFORMAL GROUPS

ADAPTATION: In the morning and afternoon, Thomas Kolly (Switzerland) and William Agyemang-Bonsu (Ghana) facilitated the informal group on adaptation. They highlighted the aim of consolidating the text, and in the afternoon, they presented an example of consolidated text. Many parties said this was a useful exercise, while some noted that specific proposals had been left out.

During the discussion in the morning and afternoon, several parties called for a flexible adaptation framework, with many developing countries supporting retaining the current structure and subsections. The Maldives, for the G-77/CHINA, called for equal treatment of mitigation and adaptation, scaling up of funding, and adequate and predictable financial resources. The Cook Islands, for AOSIS, supported a mechanism for facilitating and coordinating developing country access to financing.

Australia, for the UMBRELLA GROUP, noted areas of potential convergence, stressing, *inter alia* the importance of adaptation for all parties and aggressive mitigation to avoid increasing the adaptation burden. She said adaptation should be based on sound science, use traditional knowledge, respond to local needs and include a range of stakeholders, including women. With CANADA, JAPAN and the EU, she emphasized that adaptation should be country-driven and that priority should be given to the most vulnerable. On areas needing more work, the UMBRELLA GROUP discussed a possible role for the Convention to facilitate and catalyze activities, through, *inter alia*, sharing of best practices and information. She said financing must come from multiple sources and be effective, efficient and accountable, and, with the EU and others, urged scaling up of support.

The EU stressed that the best adaptation strategy was a workable mitigation regime. He emphasized integrating adaptation into sustainable development processes and identified the need to strengthen the information knowledge base for decision making.

Tanzania, for the AFRICAN GROUP, supported deleting inconsistencies with the BAP and the Convention.

URUGUAY urged ambitious mitigation commitments to minimize increased adaptation costs and supported concrete forms of financing, such as strengthening the Adaptation Fund. With ARGENTINA, he stressed the importance of adaptation in the agriculture sector. BANGLADESH called for, *inter alia*, financing on a grant basis, not through concessionary loans, and action at the community level. PERU, speaking for a number of countries, with EGYPT and COLOMBIA, opposed a new classification of developing countries to assess vulnerability. Burkina Faso, for LDCs, and the AFRICAN GROUP supported categorization of countries. PERU and PARAGUAY said adaptation should maintain ecosystems, and called for strengthening community participation, including of indigenous communities. PARAGUAY highlighted ancestral knowledge embedded in indigenous peoples, whose rights should be at the core of monitoring actions.

INDONESIA supported an ecosystem-based approach and community-based activities, and said the dynamic relationship between oceans and climate change should be reflected in the outcome. TURKEY supported: a new section on adaptation technologies and their transfer; moving the finance subsection to the finance chapter; and establishing executive bodies on finance and technology.

VENEZUELA, for several Latin American countries, said institutional arrangements should be under COP authority and guidance in the form of a multi-window system to ensure access to financing. With EGYPT, ARGENTINA, SRI LANKA and the AFRICAN GROUP, he said funding should come from public sources, be additional to official development assistance, and be subject to MRV. SAUDI ARABIA said financial and technical support should be provided by developed countries only.

CHINA supported an adaptation committee or subsidiary body, and establishing regional centers in developing countries. The PHILIPPINES supported a learning-by-doing approach and information exchange, and asked developed countries to communicate their experiences in, *inter alia*: integrating adaptation into national development planning and the budgetary implications of doing so. The AFRICAN GROUP requested assistance from developed countries in costing adaptation.

The US said that it has committed USD 300 million in new funding in 2010 for adaptation, ten times the amount in this year's budget. JAPAN proposed mapping out potential areas of convergence and divergence as undertaken in the technology group, and said the UNFCCC should play a catalytic role in strengthening adaptation.

AOSIS and TUVALU opposed discussing impacts of response measures under adaptation, noting the issue is addressed under mitigation. SAUDI ARABIA called for reference to impacts of response measures throughout the text and adding reference to economic vulnerability when vulnerability is mentioned. GHANA supported information sharing and training to encourage both women and men to participate in adaptation activities. BHUTAN and NEPAL called attention to the specific vulnerabilities of ecosystems in mountainous countries. BRAZIL stressed international cooperation to support the urgent implementation of adaptation actions. COLOMBIA asked how research and systematic observation would be addressed as it is a cross-cutting issue.

MITIGATION (paragraph 1(b)(v) of the BAP): In the morning, Kunihiro Shimada (Japan) facilitated the informal subgroup on mitigation under paragraph 1(b)(v) of the BAP

(various approaches, including markets, to enhance the cost-effectiveness of, and to promote mitigation actions). He requested that parties focus on proposals for new mechanisms, including sectoral crediting, sectoral trading and NAMA crediting and trading.

The REPUBLIC OF KOREA provided an overview of their proposal on NAMA crediting, explaining that it would address problems experienced under the CDM by expanding the scope of carbon crediting to programmes and policies. He noted that issues relating to supplementarity and methodologies to verify emission reductions would have to be resolved.

INDIA requested clarification on how to avoid double counting. He also asked how environmental integrity would be maintained in the context of determining whether greenhouse gas mitigation had been accomplished in programmes and policies. The REPUBLIC OF KOREA responded that a political decision would have to be taken on the degree to which the principle of supplementarity could be relaxed. He said the methodological issues could be agreed upon later, while BRAZIL stressed environmental integrity, opposed relaxing supplementarity and warned against deferring difficult methodological decisions until after the political decision to create a mechanism.

Brazil, for the G-77/CHINA, stressed the key role of governments in ensuring the full implementation of the Convention and stated that proposals should reflect this responsibility.

The EU presented their proposals on sectoral crediting and sectoral trading. He explained that units generated in developing countries could be sold, enabling developing countries to enhance their contribution to mitigation.

The Federated States of Micronesia, for AOSIS, expressed concerns with proposals leading to offsets, emphasizing the need to avoid creating disincentives for economy-wide emission reductions. She said it was premature to discuss NAMA crediting without first reaching a common understanding on NAMAs. Regarding sectoral crediting, she underscored challenges related to environmental integrity and identified the need for clarity on sectors, the meaning of credits and source of funds. On sectoral trading, she highlighted the need to consider sectors, boundary issues and MRV.

South Africa, for the AFRICAN GROUP, underscored regional distribution as a priority and emphasized that excessive reliance on offsets is not acceptable. She said NAMAs should be funded through public sources and that crediting based on NAMAs is not acceptable. VENEZUELA, for Bolivia, Cuba and Paraguay, expressed concerns with offsetting.

NEW ZEALAND explained that NAMA trading would be voluntary and units would be issued upfront and reconciled at the end of the period, while, for crediting, units would be issued after verification. She acknowledged difficulty with the issue of baselines and thresholds. She proposed that the discussion on mechanisms focus on the scope of mechanisms at sectoral or multi-sectoral levels, guiding principles for setting thresholds and governance issues. The US expressed support for a high level of environmental integrity and transparent and vigorous thresholds. MEXICO and JAPAN also emphasized the need to safeguard environmental integrity.

JAPAN called for discussing the supply of credits, geographical distribution and potential sectors. Tanzania, for the LDCs, said the proposals were inconsistent with the Convention and the BAP and did not consider the needs of LDCs.

MITIGATION (paragraph 1(b)(vi) of the BAP): In the morning, Mamadou Hondia (Burkina Faso) facilitated the informal subgroup on paragraph 1(b)(iv) of the BAP (economic and social consequences of response measures).

Brazil, for the G-77/CHINA, underscored that all developing countries face the negative consequences of response measures, including those affecting trade. SAUDI ARABIA highlighted

the significant negative impacts of carbon taxes and tariffs, and noted that such measures constitute disguised protectionism. INDIA, with support from several developing countries, proposed prohibiting unilateral measures against exports from developing countries.

South Africa, for the AFRICAN GROUP, urged scaling up finance for adaptation and equitable compensation for those adversely impacted by response measures.

AUSTRALIA, supported by JAPAN, the US, NEW ZEALAND, CANADA and the EU, noted convergence on information exchange and encouraged accomplishing this through existing mechanisms such as national communications. In addition, they underscored the importance of a coherent approach considering the work of the Subsidiary Bodies on this issue. The EU and NEW ZEALAND urged prioritizing attention to the most vulnerable countries.

SHARED VISION: In the afternoon, Chair Zammit Cutajar facilitated the informal group on a shared vision. Sudan, for the G-77/CHINA, preferred deferring discussions until clarity has been achieved on the other building blocks. Using a jigsaw puzzle analogy, he said that “pieces had to be placed in the right place so that the parts become whole and the whole is more than the sum of its parts.” He emphasized that a shared vision must be about implementing finance and technology commitments to enable developing countries to act.

Commenting on the chapter’s structure, Antigua and Barbuda, for AOSIS, supported by the US, suggested incorporating elements of a shared vision into a political statement including a long-term global goal.

Chair Zammit Cutajar proposed that parties start with the “edges of the puzzle” and “work toward the middle,” attempting to consolidate proposals of a “scene-setting” nature. He said that the more difficult aspects of the text would have to wait for outcomes on the building blocks and review processes.

The US drew attention to the Major Economies Forum (MEF). AUSTRALIA said that outcomes from processes such as the G-8, MEF and the Pacific Islands Forum could provide useful input. Stressing that a long-term goal is crucial, the EU acknowledged progress has been made on agreement in the MEF to limit warming to not more than 2°C, as well as on the concept of peaking and moving toward low-carbon economies. INDIA cautioned against selectively quoting declarations adopted in other fora. He stressed that his country’s participation in meetings such as the MEF and the Group of 20 had been on the understanding these would provide momentum to the UNFCCC negotiations but not feed directly into the negotiations. JAPAN highlighted the need for a long-term goal for all parties and the importance of referring to global peaking, low-carbon development strategies and development of innovative technologies.

AWG-KP INFORMAL GROUPS

OTHER ISSUES (LULUCF): In the morning, the subgroup on LULUCF considered land-based accounting, as well as LULUCF under the CDM. PAPUA NEW GUINEA highlighted that their proposal for land-based accounting (option B) takes away the option to pick and choose how land use is reported, and that Annex I countries have been reporting on land use since 2005. Many countries said that a land-based accounting approach is a desirable long-term goal, but BRAZIL, CHINA and JAPAN underscored incomplete reporting of data, as well as the existing scientific uncertainties of measurement, including the challenge of distinguishing between anthropogenic and non-anthropogenic emissions and removals. NORWAY suggested uncertainty can be equally significant in activity-based approaches.

AUSTRALIA, with SWITZERLAND and the EU, suggested that they are not ready to support option B in the second commitment period. SENEGAL underscored the challenge

of monitoring compliance. SWITZERLAND highlighted that proposals on an activity-based approach prevent selective accounting. TUVALU said exceptions would be present under option B that would introduce hot air into the system. GABON suggested option B effectively mirrors proposals for REDD standards.

The group discussed eligibility of LULUCF activities under the CDM, including: afforestation and reforestation; REDD; restoration of wetlands; sustainable forest management or land management activities; soil carbon management; and revegetation, forest, cropland and grazing land management. CHINA and BRAZIL suggested only considering afforestation and reforestation under the CDM. Many countries supported considering REDD under other discussion tracks. Senegal, for the AFRICAN GROUP, with JAPAN, ZAMBIA, PAPUA NEW GUINEA and ETHIOPIA, highlighted the need to improve the geographical distribution of the CDM and emphasized that LULUCF provides this opportunity. BRAZIL, the EU, TUVALU and CANADA stressed consideration of whether activities are best considered under the CDM or NAMAs. COLOMBIA cautioned that NAMAs should not replace the CDM. BRAZIL and TUVALU underscored the technical challenges of defining soil carbon and measuring fluxes in the proposals.

OTHER ISSUES (MECHANISMS): In the morning, parties continued discussing elements of COP/MOP decisions (FCCC/KP/AWG/2009/10/Add.3).

On allowing borrowing of assigned amount from future commitment periods, the G-77/CHINA supported no decision on the issue, while UKRAINE and CANADA preferred maintaining the option.

On extending the share of proceeds, Vice-Chair Dovland noted the same issue is also covered under proposals to amend the Protocol. AOSIS, the LDCs and COLOMBIA supported retaining it also in the context of COP/MOP decisions. The EU, JAPAN and NEW ZEALAND highlighted related proposals for Protocol amendments, as well as links with adaptation and finance discussions under the AWG-LCA.

On allowing CCS under the CDM, SAUDI ARABIA, JAPAN, NIGERIA, KUWAIT, IRAN, the EU, NEW ZEALAND, GHANA and others supported retaining the option, while AOSIS, ARGENTINA, BRAZIL, COLOMBIA, the GAMBIA and others preferred no decision. AOSIS, supported by BRAZIL, ARGENTINA and others, highlighted several fundamental questions relating to CCS. BRAZIL, supported by the GAMBIA, highlighted CCS as a nationally appropriate mitigation action but opposed it under the CDM. The EU, AUSTRALIA and others stressed the need to consider safety and other issues. KUWAIT, SAUDI ARABIA and NIGERIA opposed language on limiting CCS under the CDM to geological formations. AOSIS highlighted that concerns regarding CCS beyond geological formations were even more serious.

JAPAN opposed deleting the option that nuclear activities are eligible under the CDM. On crediting based on NAMAs, the G-77/CHINA and TUVALU preferred no decision. SOUTH AFRICA stressed concerns over offsetting, while indicating that his country is willing to consider market approaches that promote sustainable development but are not offsetting. COLOMBIA highlighted concerns over scaling up problems associated with the CDM, such as geographical distribution. The REPUBLIC OF KOREA supported a decision on NAMA crediting, and said the proposal aimed to help developing countries benefit from market mechanisms. The EU identified synergies with their proposal on sectoral crediting, while noting concerns over the attribution of emission reductions and MRV.

ANNEX I EMISSION REDUCTIONS: In the afternoon, the informal group continued considering Annex I emission reductions. Several developing countries stated that more time should be allocated for considering the architecture relating to commitments.

CANADA presented on their national target to reduce emissions by 20% from 2006 levels by 2020, emphasizing it is a mid-term target on the pathway towards a 60-70% reduction relative to 2006 by 2050. He underscored that this commitment is not conditional on the outcome in Copenhagen. On the choice of base year, he noted that 2006 is the first year for which complete and accurate data is available. On LULUCF, he explained that its inclusion depends on changes in the accounting rules to eliminate penalties for countries with highly variable LULUCF emissions due to natural disturbances.

The RUSSIAN FEDERATION outlined plans to reduce emissions by 10-15% by 2020 in comparison to 1990 levels. He explained the national goal does not include offsetting or LULUCF and that emission levels will not peak until after 2020. He also said the target was not conditional on the pledges of other states, but was conditional on the state of the Russian economy.

BELARUS confirmed its target of reducing emissions between 5 -10% from 1990 levels by 2020. He lamented the limited rate of technology transfer and highlighted improvement in carbon intensity.

On their pledge to reduce emissions by 30% from 1990 levels by 2020, NORWAY noted that LULUCF comprises between 3-6% of their target but that certain changes in the LULUCF accounting rules are necessary to achieve this. In addition, she explained that two-thirds of the reduction would come from domestic mitigation actions.

During broader discussion on the Secretariat's paper on possible QELROs as submitted by parties, SOUTH AFRICA noted the importance of including information on what proportion of the QELROs are to be achieved through flexibility mechanisms. Several developed countries said that this information was not yet available. AUSTRALIA and NEW ZEALAND highlighted the principle of least-cost emission reductions in the Convention. SOUTH AFRICA underscored that the alternative would be to establish a cap on the use of the flexibility mechanisms. The EU emphasized that the full costs of offsetting through flexibility mechanisms was covered by developed countries. BRAZIL said that developed countries want to both differentiate between developing countries and establish targets for them without any commensurate commitment to actual reductions themselves. JAPAN opposed introducing a cap on the use of flexibility mechanisms, while recognizing the benefit of domestic mitigation.

SOUTH AFRICA, supported by INDIA and AOSIS, said the use of offsets through the CDM is antithetical to the principle of common but differentiated responsibilities because it allows developed countries to use the least-cost mitigation opportunities in developing countries to fulfill their own obligations while leaving the expensive mitigation to be undertaken by developing countries. The EU highlighted their cap on use of flexibility mechanisms, and underscored proposals to avoid double counting.

INDIA expressed concern that NAMA trading would be used to create harmonization of emissions standards and noted that only one proposal on the table eliminates double counting by restricting trading to use against financial commitments to developing countries rather than against mitigation commitments. He noted that there might be convergence around that proposal.

Noting the absence of some major emitting countries under the Protocol, the EU suggested a joint session on pledges and targets with the AWG-LCA. JAPAN emphasized that the impact of Annex I countries that are Protocol parties is limited because they account for only 30% of total emissions.

IN THE CORRIDORS

With Bonn III passing the midway point, taking stock of progress and - more importantly - figuring out how to move forward in Bangkok were among the key topics in the corridors. Emerging from informal consultations under the AWG-LCA on the organization of work late in the evening, delegates expressed divergent views on the state of play under the AWG-LCA. Several characterized progress as "painfully slow," while the more optimistic ones believed that the fruits of their labor would become clearer after the facilitators of the various informal session reported on inroads made towards consolidating text on Thursday.

The issue of attributing proposals in the negotiating text came up in various AWG-LCA groups throughout the day, and countries reportedly debated over the topic in the evening's informal meeting. Developing countries cited concerns relating to transparency and complained that the negotiating text (sometimes referred to as "the brick") was "confusing," with one adding that "our proposals have been lost, issues dear to us have been marginalized and the text no longer represents the parties." Many developed country delegates, however, disagreed. One delegate said he was "floored" by the issue of attribution since this was not what had been agreed to in Poznan. He explained that attributing text at this juncture would constitute a step back, taking into account the more than 2000 brackets in the document, and detract from substantive discussions. Sighing with despair he wondered: "When will we ever take collective ownership of this text?"

Under the AWG-KP, the informal group on Annex I emission reductions proved popular as Annex I parties continued to clarify their pledges and the underlying assumptions. While some participants seemed almost excited, describing the sessions "interesting" and "necessary," questions returned to reference years and the role of LULUCF. "Without clarity on LULUCF rules for the second commitment period, the national targets are just not comparable," sighed one delegate. Another questioned the utility of discussing individual country targets, stating "if we want to judge the effect of our commitments on the atmosphere, we have to look at all the targets together."

The role of carbon markets and offsetting also featured significantly in the day's discussions - especially as they were taken up by both AWGs. While the vast majority agreed that the carbon market will continue beyond 2012 and the main focus was on the details of the existing and proposed mechanisms, some more fundamental questions continued to float in the meeting rooms and corridors. One AWG-KP delegate expressed concern that, "Annex I countries are attempting to shift the burden of mitigation onto developing countries." Another voiced concern that the low-hanging fruit would soon be out of reach for developing countries. Some developed country delegates, however, were happy to see what they felt was positive movement by some developing countries. "Today, we were able to discuss details of sectoral crediting and trading with some major developing countries asking detailed questions - this is something that has not happened before," commented one negotiator.

AWG-LCA AND AWG-KP HIGHLIGHTS: THURSDAY, 13 AUGUST 2009

Throughout Thursday, several informal groups under the AWG-LCA and the AWG-KP met to discuss issues, including finance, adaptation, mitigation, technology and capacity building, Annex I parties' emission reductions, the flexibility mechanisms and potential consequences.

AWG-LCA INFORMAL GROUPS

FINANCE: In the morning, AWG-LCA Vice-Chair Machado presented a non-paper identifying elements common to many proposals and highlighting areas where better understanding is required.

The Philippines, for the G-77/CHINA, pointed to parallel views on the issues and a lack of common understanding of the term "country-driven." Advocating attribution, she expressed concern with the structure of the revised negotiating text, which she said made it difficult to find the Group's proposals.

The EU, Uganda, for the LDCs, and others stressed that a sense of urgency to undertake enhanced action on financing for mitigation, adaptation and technology transfer should be stated clearly, as well as the need to prioritize support for vulnerable developing countries. AOSIS said that provision of financial resources must be guided by developing countries' priorities, which he said should be contained in the overarching principles. He noted the possibility of enumerating numbers in the form of a budget, which should have a top-down approach.

CANADA acknowledged strong convergence on the principles of equity and common but differentiated responsibilities, noting that the majority of parties have taken concrete actions, leading to concrete impacts. He said turning attention to key functions of the financial architecture would lead to understanding of how specific issues will work in practice.

ANTIGUA and BARBUDA supported differentiating countries based on vulnerability and supported direct access through a financial mechanism under the COP. COLOMBIA highlighted differentiation of countries in terms of vulnerability as a cross-cutting issue, and proposed that it be based on an ecosystem-based approach.

The US stressed the necessity of ascertaining the connection between the provision of finance and actions, including what finance is being provided for.

TECHNOLOGY AND CAPACITY BUILDING: Facilitator Kumarsingh presented a consolidated text. He clarified that the insertion of subheadings under capacity building was for

navigation purposes only. A number of delegates noted the usefulness of the exercise. The Philippines, for the G-77/CHINA, Uganda, for the LDCs, and EGYPT called for attribution of submissions.

On capacity building, NORWAY, with JAPAN, AUSTRALIA and others, underscored that it was a cross-cutting issue and should be integrated into relevant chapters. Tanzania, for the G-77/CHINA stressed the need to retain capacity building as a distinct section. He requested a subsection delineating actions, and proposed a mechanism to enable financing. The EU supported moving proposals related to capacity building to the relevant sections, while expressing willingness to work with the section as it stands on the understanding it would not prejudice the final structure of the AWG-LCA text.

BRAZIL highlighted capacity building as a cross-cutting issue that must be strengthened in many areas, including REDD, and, with EGYPT, noted the need for more collaboration on specific mechanisms to build capacity, including south-south cooperation. TANZANIA stressed that capacity building is a commitment under the Convention. Facilitator Kumarsingh highlighted consensus on the "what" of capacity building, and encouraged informal discussions to further discuss the "how."

In the afternoon, Facilitator Kumarsingh asked whether and how the consolidated text could be used in Bangkok. The G-77/CHINA requested affirmation that the text should be seen as a consolidated list of paragraphs based on the negotiating text and underscored that financing and effective transfer of technology are the two key priority areas.

The EU highlighted the necessity of starting negotiations on the text and listed paragraphs where he believed rapid progress could be made. SOUTH AFRICA, supported by CHINA, cautioned against focusing on peripheral areas of convergence and avoiding core issues.

AUSTRALIA expressed interest in talking with interested parties on areas that could be moved forward. The EU, supported by the US, CANADA, JAPAN and SOUTH AFRICA, suggested working in smaller groups to facilitate discussions. The LDCs, with SOUTH AFRICA, stressed that positive signals from developed countries on addressing development and transfer of technology were required, and that smaller groups would not necessarily solve this issue. EGYPT cautioned against overstretching delegations.

AOSIS said they were prepared to move forward and, with SOUTH AFRICA, hoped that the consolidated paragraphs could become the basis of a negotiating document. The G-77/CHINA

emphasized that it was not willing to talk about assessments, plans or developing country responsibilities, but that it wanted to enhance the Convention's implementation. CHINA called for clear temporal goals for addressing critical issues and suggested prioritizing institutional arrangements.

MITIGATION: During the informal group in the morning, Facilitators Margaret Mukahanana-Sangarwe (Zimbabwe) and Thomas Becker (Denmark) reported on progress made in their respective informal consultations on mitigation by developing and developed countries. They both noted the need to clean up and consolidate the text, without losing any of the proposals in order to have a workable document in Bangkok. Chair Zammit Cutajar said he would try to clarify structure and remove repetition in the introductory part of the chapter.

During the discussion, the REPUBLIC OF KOREA identified two key entry points regarding mitigation by developing countries: the legal nature of NAMAs and unilateral NAMAs. He said a future regime should provide a framework where developing countries can engage in mitigation without worrying about whether NAMAs are binding. With SINGAPORE, he said voluntary, unilateral NAMAs must be internationally recognized, and supported a registry for this purpose. COLOMBIA supported the need to recognize unilateral actions internationally.

SOUTH AFRICA, supported by CHINA, said NAMAs should not be used for offsetting and expressed concern over the possibility of double counting. Noting the dilemma over whether the financing or the NAMA comes first, she supported establishing a workable NAMA system to enable speedy action. MALAYSIA supported voluntary NAMAs, contingent on MRV of support. SINGAPORE said enabling support for NAMAs was paramount. PAKISTAN said unilateral actions should not be confused with NAMAs, which should remain loyal to the definition in the BAP. He said the registry notion requires further clarification, and should be placed in the finance chapter.

NEW ZEALAND noted that work under the AWG-KP should be kept in mind, and supported, *inter alia*: collapsing the section on comparability of mitigation by developed countries, and not negotiating a long list of criteria; and a broad and efficient carbon market.

AUSTRALIA supported QELROS for developed countries and differentiation among developing countries. She said flexibility must be built into the agreement for enhancing and updating commitments. Concerning developed countries, the US supported legally binding mid- and long-term quantifiable emission reductions with a timetable, in the form of an appendix, schedule or register. Concerning developing countries, he supported differentiation, noting that those with greater capacity, capability and responsibility would need to exhibit greater ambition. He explained that, for developing countries, the actions rather than the outcome would be binding. He said MRV proposals must be unified and integrated, while INDIA opposed integrating MRV sections for developed and developing countries.

Regarding compliance, the US supported effective and holistic MRV and facilitation, rather than a system based on consequences. CHINA proposed MRV of support as the entry point for discussing developing country mitigation. With BRAZIL, INDIA, MALAYSIA and PAKISTAN, he urged discussing paragraphs 1(b)(i) and 1(b)(ii) of the BAP separately, while JAPAN preferred discussing them together. AUSTRALIA said MRV needed further consideration, and that all actions should be subject to MRV.

MITIGATION (paragraph 1(b)(v) of the BAP): Facilitator Shimada highlighted that the issue covered various mechanisms on mitigation and was therefore broader than markets.

Parties addressed criteria and conditions for designing market mechanisms. The REPUBLIC OF KOREA stressed the need to decide whether market mechanisms are desirable and, if parties agree on this, they should cooperate to improve the proposals on the table, including his country's proposal. INDIA said cost-effectiveness and enhancing mitigation are fundamental conditions for market mechanisms. He identified the need to consider possible market failures in designing mechanisms, stressing environmental integrity and equity. He further stated that markets will not address equity and, calling for clear provisions, he highlighted, *inter alia*, regional distribution and distribution across rich and poor countries. CANADA agreed on the need to consider equity. CHINA noted that there are challenges related to market mechanisms and conditions for considering them. SOUTH AFRICA recognized the usefulness of market mechanisms, while emphasizing complementarity. SAUDI ARABIA stressed that some market mechanisms, such as taxes and subsidies, will have significant spillover effects on developing countries and trade. VENEZUELA stressed that no consensus existed on markets.

TUVALU warned against heading towards a "mega-CDM" and highlighted that new market mechanisms will have consequences for targets of Annex I parties and for the atmosphere. Underscoring questions such as permanence and leakage, he cautioned against references to markets in the context of REDD.

The EU highlighted that market mechanisms would enhance mitigation efforts. With NEW ZEALAND and several others, he stressed the importance of environmental integrity. In that regard, the EU identified the need to consider, *inter alia*, double counting and benchmarks, as well as defining sectoral boundaries. COLOMBIA and MEXICO, supported by SOUTH AFRICA, emphasized the need to consider sustainable development. MEXICO, supported by the EU, called for strengthening the technology component.

JAPAN emphasized the need for coordination with the AWG-KP, especially concerning the CDM. With the FEDERATED STATES OF MICRONESIA, he identified the need to consider compliance. As an entry point for discussions, the US suggested considering how the CDM relates to this process, also mentioning additionality, encouraging economies to move towards cleaner technology and sending signals to the private sector. The FEDERATED STATES OF MICRONESIA noted the need to consider consistency with the Protocol architecture, the question of offsetting, sectoral coverage and MRV, as well as the relationship to the Kyoto units. BRAZIL agreed on the need to consider essential points such as additionality. CHINA highlighted that credits should not be used as offsets. CAMBODIA urged for mechanisms that benefit LDCs. VENEZUELA stressed the need to keep the AWG-KP and AWG-LCA separate.

UKRAINE, supported by CANADA, COLOMBIA, the EU, NEW ZEALAND and others, proposed a table or matrix to compare the various proposals and criteria for market mechanisms. The US, supported by COLOMBIA, but opposed by some parties, proposed also including the project-based mechanisms. CHINA and BOLIVIA said a comparison table is premature. SAUDI ARABIA, supported by BOLIVIA and CHINA, stated that discussions should first focus on principles. After discussion, parties agreed that the Facilitator can compile information to assist discussions in Bangkok.

MITIGATION (paragraph 1(b)(iv) of the BAP): In the afternoon, parties continued discussing paragraph 1(b)(iv) of the BAP (cooperative sectoral approaches and sector-specific actions). Facilitator Khan first outlined a non-paper, which organized proposals under five questions to provide clarity on the objective and scope, as well as guiding principles. After a brief discussion, he presented a “non-non-paper,” explaining that it aimed to structure and bring further clarity to the text. He also identified questions for consideration, including: nature of sectors; level of guidance; and integration in the climate change regime. NORWAY and others requested that the questions be made available before Bangkok. Several parties welcomed the non-paper while expressing reservations about the “non-non-paper.” Following discussion, Facilitator Khan said the “non-non-paper” would not be considered further, while the non-paper would be put forward as a useful guide for discussions.

He also asked whether parties had “an appetite” for inviting relevant international organizations to Bangkok to answer parties’ questions. Several parties, including NORWAY and SINGAPORE, supported inviting ICAO and the IMO to Bangkok, while SAUDI ARABIA opposed.

MITIGATION (paragraph 1(b)(vi) of the BAP): In the afternoon, Facilitator Konaté facilitated the informal subgroup on paragraph 1 (b)(vi) of the BAP (response measures). He introduced a non-paper, which he explained had maintained all the proposals and ideas, while changing the order of paragraphs.

CHINA, INDIA and SINGAPORE, opposed by the US, suggested that India’s proposal relating to prohibiting unilateral trade measures against exports from developing countries should also be included in the preambular part of the shared vision section.

Parties then discussed the status of the titles reflected in the non-paper. The US, the EU, CANADA, JAPAN, NORWAY and others, objected to the insertion of certain titles in the paper, while ARGENTINA, SAUDI ARABIA and CHINA supported retaining the titles. CANADA requested reflecting that the titles had been inserted by the facilitator. SAUDI ARABIA proposed bracketing and renaming some of the titles. AUSTRALIA proposed stating that titles are provided for guidance only.

SINGAPORE underscored the importance of open markets for goods and services from developing countries. INDONESIA and BRAZIL proposed bracketing of paragraphs on biofuels, as well as on REDD and emissions displacement.

ADAPTATION: In the afternoon, Co-Facilitators Kolly and Agyemang-Bonsu presented a consolidated text for the subsection on implementation along with a guiding table identifying specific paragraphs from the original text being consolidated and the rationale for that consolidation.

COLOMBIA proposed that the consolidated paragraphs and the guiding table be merged into a single document. The EU said the consolidating process was valuable and could help in the line-by-line negotiations. The Cook Islands, for AOSIS, with EGYPT, proposed similar consolidation for other subsections and distribution as soon as possible before Bangkok. The Secretariat said it could be requested to complete consolidation of other subsections and post it on the website, but that a final decision would be made during the closing meeting on Friday.

Co-Facilitator Agyemang-Bonsu reassured delegates that new text could be introduced up until the last day in Copenhagen. The US asked for clarification as to whether the text going forward to Bangkok will include any new proposals. The EU said that text should not include new proposals, but that new proposals should be communicated during meetings in the presence of parties, rather than through indirect communication

of submissions. EGYPT noted that attribution of proposals in the consolidated text was more important than in the original text. BOLIVIA requested attribution and allocating brackets in a more balanced manner. Co-Facilitator Bonsu noted the whole text was in brackets. AOSIS expressed concern that attributions might further complicate the text and suggested a column in the guiding table instead. TANZANIA noted some inconsistencies with consolidated paragraphs and those in the original document.

AWG-KP INFORMAL GROUPS

OTHER ISSUES (FLEXIBILITY MECHANISMS):

In the morning, Vice-Chair Dovland introduced a draft non-paper, explained that it will act as “institutional memory” and be forwarded to the AWG-KP Chair. INDIA underscored the right to bring options not addressed in the non-paper back to the table. EGYPT, with ALGERIA, called for including a separate paragraph on co-benefits.

Vice-Chair Dovland suggested going through the non-paper and identifying issues for negotiation in Bangkok. SOUTH AFRICA outlined two procedural scenarios: to continue refining options until agreement on the whole range of issues in Copenhagen; or considering the mandate problem and which issues may be addressed in the negotiations. SAUDI ARABIA, with CHINA, INDIA, OMAN and ETHIOPIA, called for a focus on Annex B and Protocol Article 3.9 (Annex I further commitments). EGYPT, with CHINA, endorsed differentiation between elements requiring Protocol amendment and those that can be adopted as COP/MOP decisions. BRAZIL, with many others, suggested postponing discussion on elements requiring Protocol amendments until Copenhagen. COLOMBIA cautioned against addressing issues for the first time in Copenhagen and suggested discussion on whether issues should be handled by amendment or decision were best left to the legal group. AUSTRALIA, JAPAN, the EU and NORWAY highlighted the futility of lengthy mandate discussions. AUSTRALIA noted lack of agreement on whether the AWGs will meet in Copenhagen.

AWG-KP Chair Dovland noted parallel discussions under the AWG-LCA and, supported by JAPAN and NEW ZEALAND, suggested discussing the addition of new mechanisms through an “academic” seminar in Bangkok. BANGLADESH preferred not to discuss new mechanisms, and CHINA highlighted the need to focus on aggregate and individual targets for Annex I parties.

POTENTIAL CONSEQUENCES: In the morning, the informal group continued moving bracket-by-bracket through annex I (FCCC/AWG/KP/2009/9), addressing issues related to framing of the work, vulnerability and ability to respond to the impacts of potential consequences, and deepening understanding. Parties agreed to return to framing of the work and vulnerability after more progress has been made on substance.

On deepening understanding, SAUDI ARABIA noted that the issue to be addressed is more fundamental than wording in the text suggests, and that improving institutional capacity is not directly relevant to minimizing impacts of potential consequences. The G-77/CHINA underscored that deepening understanding is a complicated issue, including challenges related to attribution, capacities and regulatory frameworks, but that the main message in the text needs to be simplified.

Some developing countries questioned the meaning of “actual impacts.” Developed countries preferred “actual” or “observed” impacts, while developing countries emphasized the need to include “possible” consequences as well. SAUDI ARABIA highlighted that models could be used as evidence of possible consequences.

The EU expressed concern with language requiring regional and global assessments, noting that if every mitigation action undertaken by Annex I countries has to undergo a regional and global review process, it would significantly undermine the purpose of the Protocol to take prompt mitigation actions.

In the afternoon, parties continued discussions on deepening understanding. They were unable to agree on language related to institutional capacity. The EU highlighted complexity added by lack of institutional capacity to the determination of potential consequences, with SAUDI ARABIA stating that this shifted the blame of consequences to developing countries. On global and regional assessments, SAUDI ARABIA clarified that these are complementary to individual assessments of impacts by developed countries and would examine classes of policies and the resulting consequences. AUSTRALIA noted a possible role for such assessments, but requested identifying that the terms of reference for such assessments would be negotiated at a later date. The EU noted that the global and regional levels may not be the proper levels at which to conduct assessment and wondered where funding for such large assessments would come from.

The co-facilitators noted that following modifications to the title to reflect its changed status, the outcome of the work of the informal group would be forwarded to the Chair of AWG-KP as a non-paper, who would then forward it to Bangkok to serve as the basis of continued negotiations.

ANNEX I EMISSION REDUCTIONS: In the afternoon, the informal group commenced with a technical exercise on assigned amounts and translation of commitments into QELROs, followed by discussion of aggregate and individual targets, the gap when aggregating pledges, and comparability and related criteria.

The Secretariat presented three scenarios for the establishment of assigned amounts: using the Protocol rules; minimal changes to the Protocol rules, such as application of the 2006 IPCC Guidelines on National Greenhouse Gas Inventories; and changes to the rules as proposed under the AWG-KP, including adding new greenhouse gases, as well as changing the base year and LULUCF rules.

NEW ZEALAND emphasized that using actual emissions as a starting point more accurately reflects the costs countries face in meeting targets and avoids locking in current inequities in the Protocol. She noted that there is limited risk of countries gaming the system by increasing emissions to get more permits in future periods. The EU also emphasized that the starting point has significant implications for QELROs.

JAPAN underscored that use of 1990 as the base year makes comparing levels of effort more difficult and that using absolute emission levels was preferable. AOSIS stressed the need to retain the 1990 base year and percent-based QELROs so that they are comparable to the first commitment period. JAPAN explained that the 1990 base year is far more advantageous to some countries and influences how reduction targets look. BOLIVIA emphasized that an aggregate number is needed prior to determining assigned amounts.

AUSTRALIA noted that they had increased their pledge and wondered if other parties had processes for reviewing their pledges because some "had been on the table a long time." IRAN highlighted the gap between pledges and aggregate emission reductions needed from Annex I parties to stabilize greenhouse gas concentrations.

The RUSSIAN FEDERATION, supported by JAPAN and CROATIA, said that the aggregate range must be determined through a bottom-up approach. BOLIVIA advocated allocating

individual shares in a top-down approach. AOSIS agreed, stating that the impacts on SIDS and the most vulnerable countries should be the benchmark for measuring the levels of ambition. JAPAN, with AUSTRALIA, the EU and CANADA, emphasized that the aggregate range should be discussed in cooperation with the AWG-LCA. CANADA raised the question as to how contributions to other international reduction activities, such as investment in R&D with broader implications for the collective transformation from business-as-usual to low-carbon economies, would be accounted for.

IN THE CORRIDORS

On the penultimate day of the meeting, many non-papers and consolidated texts were distributed under the AWG-LCA and AWG-KP, and delegates rapidly tried to digest the substance to voice their reactions during the sessions. Many were pleased with the progress on consolidating text under the AWG-LCA up to this point, noting that they had not expected to engage in line-by-line negotiations at Bonn III anyway. "Fortunately it seems that we have reached the peak in terms of the length of text. At first I thought it was going to balloon even more, but I am comforted now by the very efficient work done on consolidation." Others, however, were concerned that in the consolidating process, their proposals had been left out, and they were not so pleased with the process.

In the afternoon, so many delegates lined up for a copy of the REDD-plus text that a second printing was required. Delegates were anxious to see how their proposals had been incorporated following three days of informal meetings with the facilitator, which many delegates felt were "positive" and "reassuring." Some enthusiastic parties and observers began analyzing the text in the corridors to prepare for Friday's session. One delegate said, with hope, "this text represents a solid chance to make some progress on REDD." However, participants following some of the other AWG-LCA issues expressed frustration at "beating around the bush on issues" in some of the informal groups. One frustrated delegate stated that "we can't continue to tinker around the edges of issues" and eventually we will have to "crack the tough nuts".

During the evening informal meeting under the AWG-LCA on the organization of work, delegates reportedly discussed whether they were comfortable continuing with the same working methodology in Bangkok as here in Bonn. Based on the fact that not all the sections of the text were covered this week, some suggested continuing the Bonn working method for at least part of the time in Bangkok, and transitioning into substantial negotiations after a few days. Some delegates expressed frustration with this, with one stating "Why can't we just jump into negotiations on day one in Bangkok? We are wasting time." Noting uneven progress in the informal groups, some delegates hoped substantial work could begin in contact groups at least on those issues where it was possible. One developed country negotiator believed some issues are ready to go for Bangkok, such as technology and adaptation and even certain aspects of mitigation. However, one developing country said jumping too fast might have "adverse impacts with unintended consequences." Many agreed that more clarity on the way forward might exist after the informal groups conclude their work on Friday.

ENB SUMMARY AND ANALYSIS: The *Earth Negotiations Bulletin* summary and analysis of the Bonn informal meetings will be available on Monday, 17 August 2009 online at: <http://www.iisd.ca/climate/ccwgi/>

SUMMARY OF THE BONN CLIMATE CHANGE TALKS: 10-14 AUGUST 2009

From 10-14 August 2009, the *Ad Hoc* Working Group on Long-term Cooperative Action under the United Nations 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) held intersessional informal consultations in Bonn, Germany. Approximately 2,400 participants attended the meeting, which forms part of ongoing negotiations on long-term cooperation under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The two AWGs are scheduled to conclude their work by the fifteenth session of the UNFCCC Conference of the Parties (COP 15) and the fifth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 5) to be held in Copenhagen, Denmark, in December 2009.

For the AWG-LCA, the focus was on how to proceed with the revised negotiating text (FCCC/AWGLCA/2009/INF.1), which reflects deliberations at AWG-LCA 6 in June. The text is nearly 200 pages long and covers the key elements of the Bali Action Plan (decision 1/CP.13), namely a shared vision for long-term cooperative action, mitigation, adaptation and finance, as well as technology and capacity building. After a week of consultations by five main informal groups and several sub-groups on mitigation, the AWG-LCA began to produce reading guides, tables, matrices and non-papers aimed at consolidating text and facilitating negotiations at the next meeting in Bangkok, Thailand. The various tools will be compiled in a new information document that the Chair intends to make available before Bangkok. The revised negotiating text, in turn, will remain largely as it was at the beginning of the informal consultations in Bonn (Bonn III).

Under the AWG-KP, discussions continued on Annex I parties' emission reductions beyond the first commitment period ending in 2012. In addition, parties resumed consideration of texts related to potential consequences and other issues in the AWG-KP's work programme (FCCC/KP/AWG/2008/8), including land use, land-use change and forestry (LULUCF) and

the flexibility mechanisms. Given that the informal session was not mandated to adopt conclusions, the AWG-KP's work at the informal session will be taken into account in documents that the AWG-KP Chair will prepare for Bangkok. Technical exercises related to Annex I parties' emission reductions were widely seen as being among the most useful results of the session. Several participants stressed, however, the need to switch gears and make faster progress.

Overall, at the close of Bonn III, delegates in both AWGs seemed increasingly aware of the fact that the clock is ticking, that only 114 days remained before Copenhagen, and that important progress will be needed when parties gather in Bangkok at the end of September in six weeks time.

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

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anthropogenic interference” with the climate system. The UNFCCC entered into force on 21 March 1994 and now has 192 parties.

In December 1997, delegates at COP 3 in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known under the UNFCCC as Annex I parties, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying from country to country. The Kyoto Protocol entered into force on 16 February 2005 and now has 184 parties.

In 2005, 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, in Montreal, agreed to consider long-term cooperation under the Convention through a series of four workshops known as “the Convention Dialogue,” which continued until COP 13.

BALI ROADMAP: COP 13 and COP/MOP 3 took place in December 2007, in Bali, Indonesia. The focus of the Bali conference was on long-term issues. These negotiations resulted in the adoption of the Bali Action Plan (BAP), which established the AWG-LCA with a mandate to focus on four key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance and technology. The BAP contains a non-exhaustive list of issues to be considered under each of these areas and calls for articulating a “shared vision for long-term cooperative action.”

The Bali conference also resulted in an agreement on a two-year process, the Bali Roadmap, which covers negotiation “tracks” under the Convention and the Protocol and sets a deadline for concluding the negotiations at COP 15 and COP/MOP 5, to be held in Copenhagen in December 2009. The two key bodies under the Bali Roadmap are the AWG-LCA and the AWG-KP, which held four negotiation sessions in 2008: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland.

COP 14: During COP 14 in Poznań, AWG-LCA 4 continued discussing all the key elements of the BAP. It mandated the AWG-LCA Chair to prepare a document for consideration by AWG-LCA 5 that would focus negotiations on the fulfillment of the BAP and a negotiating text for AWG-LCA 6 in June 2009.

AWG-KP 6 held a strategic discussion on all elements of its work programme and decided that in order to finalize agreement on Annex I parties’ further commitments at COP/MOP 5, the AWG-KP would need to consider in 2009 the aggregate scale of emission reductions by Annex I parties, the contribution by parties individually or jointly to the aggregate scale, as well as other issues identified in paragraph 49 of its conclusions (FCCC/KP/AWG/2008/8). These other issues include: the flexibility mechanisms; LULUCF; greenhouse gases, sectors and sources; potential consequences of tools, policies, measures and methodologies; aviation and maritime bunker fuels; and legal matters.

AWG-LCA 5 & AWG-KP 7: From 29 March - 8 April 2009, AWG-LCA 5 and AWG-KP 7 convened in Bonn, Germany. The main objective of the session was to work towards negotiating text under both AWGs.

The AWG-LCA considered a note prepared by the Chair to focus negotiations on the fulfillment of the BAP and on the components of the agreed outcome (FCCC/AWGLCA/2009/4, Parts I and II). Discussions at AWG-LCA 5 focused on further elaborating elements for a draft negotiating text to be prepared by the Chair for the next AWG-LCA session in June 2009.

AWG-KP 7 focused on emission reductions by Annex I parties under the Kyoto Protocol beyond 2012 and on legal issues, including possible amendments to the Protocol. The AWG-KP also considered the other issues in its work programme, including the flexibility mechanisms, LULUCF and potential consequences of response measures. The AWG-KP agreed to request its Chair to prepare two documents for the June session: a proposal for amendments to the Protocol under Article 3.9 (Annex I parties’ further commitments); and a text on other issues, such as LULUCF and the flexibility mechanisms.

AWG-LCA 6 & AWG-KP 8: From 1-12 June 2009, AWG-LCA 6 and AWG-KP 8 convened in Bonn, Germany, in conjunction with the 30th sessions of the UNFCCC’s Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA).

AWG-LCA 6 concentrated on developing negotiating text, using the Chair’s draft (FCCC/AWGLCA/2009/8) as the starting point. During the session, parties clarified and developed their proposals and the main outcome was a revised negotiating text (FCCC/AWGLCA/2009/INF.1), which is nearly 200 pages long and covers all the main elements of the BAP.

AWG-KP 8 continued considering Annex I parties’ further commitments under the Protocol. Discussions focused on proposals by various parties for Annex I countries’ aggregate and individual emission reduction targets beyond 2012. The AWG-KP agreed to continue discussions on these as well as on other issues, such as LULUCF and the flexibility mechanisms, based on documentation prepared by the AWG-KP Chair.

By the end of the June session, the Secretariat had also received five submissions from parties for a new protocol under the Convention, and twelve submissions concerning amendments to the Kyoto Protocol, proposed for adoption in Copenhagen.

REPORT OF THE MEETING

On Monday, 10 August 2009, the Bonn Climate Change Talks began with the opening meetings of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Protocol (AWG-KP). This report summarizes the discussions by the two AWGs during the week-long informal meetings.

AD HOC WORKING GROUP ON FURTHER COMMITMENTS BY ANNEX I PARTIES UNDER THE KYOTO PROTOCOL

Chair John Ashe (Antigua and Barbuda) opened the AWG-KP’s informal session on Monday, 10 August. He introduced documentation prepared for the session, covering:

- proposed amendments to the Kyoto Protocol pursuant to Article 3.9 (Annex I parties' further commitments) (FCCC/KP/AWG/2009/10/Add.1);
- other proposed amendments to the Protocol (FCCC/KP/AWG/2009/10/Add.2);
- a compilation of proposals for elements of draft decisions on other issues, such as LULUCF and the flexibility mechanisms (FCCC/KP/AWG/2009/10/Add.3); and
- a compilation of proposals by parties for aggregate and individual figures for Annex I parties (FCCC/KP/AWG/2009/10/Add.4).

Work at the informal session was carried out by three informal groups. The first group focused on Annex I parties' aggregate and individual emission reductions, and was co-facilitated by Leon Charles (Grenada) and Gertraud Wollansky (Austria). The second considered "other issues," facilitated by AWG-KP Vice-Chair Harald Dovland (Norway). The "other issues" are identified in paragraph 49(c) of the AWG-KP's work programme (FCCC/KP/AWG/2008/8) and include: the flexibility mechanisms; LULUCF; greenhouse gases, sectors and source categories; common metrics to calculate CO₂ equivalents of anthropogenic emissions by sources and removals by sinks; and methodological and other issues. The third addressed potential consequences of response measures, facilitated by Mama Konaté (Mali) and Andrew Ure (Australia). At the opening meeting, Chair Ashe indicated that a group on legal matters would convene if requested by parties to consider specific issues. During the session, no meetings were held by the legal matters group.

The informal session of the AWG-KP was not mandated to adopt conclusions. During the closing meeting on Friday afternoon, Chair Ashe explained that he would revise some of the documentation (FCCC/KP/AWG/2009/10.Add.1 and FCCC/KP/AWG/2009/10.Adds.3-4) before Bangkok based on the non-papers by the informal groups on Annex I emission reductions and other issues. Chair Ashe also noted that a document would be issued to reflect the work done on potential consequences.

ANNEX I EMISSION REDUCTIONS: The informal group focusing on Annex I parties' aggregate and individual emission reductions met from Monday to Friday. Its discussions centered, *inter alia*, on: assumptions underpinning possible targets submitted by parties; establishment of assigned amounts; and how to turn parties' pledges into quantified emission limitation and reduction objectives (QELROs). During the opening meeting, Co-Facilitator Wollansky proposed using any remaining time to streamline the documentation, while China stressed that the mandate was not to streamline the documentation or create a negotiating text.

Discussions began with an exchange of views on the **establishment of assigned amounts**. New Zealand noted that countries should have the flexibility to establish commitments either as QELROs or absolute emission reductions. Japan preferred absolute emission reductions, while Tuvalu said having multiple metrics would complicate things. The Republic of Korea said the question was not relevant for the AWG-KP's mandate to amend Annex B.

From Tuesday to Thursday, parties undertook a technical exercise on **possible targets submitted by parties**. The Secretariat first introduced a note compiling information on possible QELROs as submitted by the parties. Several Annex I parties then presented on their pledges, explaining the underlying assumptions.

New Zealand presented on a mid-term target of reducing emissions by 10-20% below 1990 levels by 2020. He explained that the target assumed the continuation of the current LULUCF rules, as well as full recourse to the flexibility mechanisms and carbon markets due to the high cost of domestic mitigation.

Japan discussed a national target of reducing emissions by 15% from 2005 levels by 2020, stressing that it did not include LULUCF or flexibility mechanisms. He stressed that Japan's target for the first commitment period is very ambitious and that a single base year is not appropriate for all parties.

Canada outlined a national target to reduce emissions by 20% from 2006 levels by 2020, identifying that it is a mid-term target on the pathway towards a 60-70% reduction relative to 2006 by 2050. He stressed the target was not conditional on the outcome in Copenhagen and explained that the chosen base year of 2006 was the first one for which complete data is available.

The Russian Federation discussed plans to reduce emissions by 10-15% by 2020 from 1990 levels, indicating that the goal does not include LULUCF or offsetting and that because Russian emissions are currently 33% below 1990 levels, they are projected to peak after 2020. He clarified that the target does not depend on action by other countries but it is conditional on the state of the Russian economy. Belarus confirmed intentions to reduce emission by 5-10% from 1990 levels by 2020.

Norway presented on their pledge to reduce emissions by 30% from 1990 levels by 2020, saying that LULUCF comprises 3-6% of the target but that certain changes to the accounting rules will be necessary.

On **base years**, Japan and Canada stressed that parties should be able to use plural base years. The Federated States of Micronesia, for the Alliance of Small Island States (AOSIS), and Tuvalu emphasized the importance of maintaining the current base year to ensure comparability of commitments in the second commitment period. Sweden, for the European Union (EU), noted that their pledge to reduce emissions by 30% from 1990 levels by 2020 is contingent on an international agreement.

Several parties, including Switzerland and New Zealand, noted the need for clarity on **LULUCF rules**, which have only been agreed for the first commitment period. On the possible QELROs, LULUCF was included in the pledges by New Zealand and Norway, with New Zealand assuming no change in the current rules and Norway emphasizing the need for changes in the accounting rules. Canada and Japan did not include LULUCF in calculations of their respective pledges.

On offsets through the **carbon market**, several Annex I parties highlighted the benefits of the flexibility mechanisms and expressed interest in using them in the post-2012 period. New Zealand stressed that market mechanisms are important for their mitigation efforts due to the high cost of domestic mitigation. Norway stated that two-thirds of its target would be achieved through domestic emission reductions.

South Africa questioned the proportion of offsets coming from the flexibility mechanisms. He highlighted the question of equity arising if developed countries take advantage of all the best mitigation opportunities in developing countries, leaving the burden of costly mitigation to developing countries. Opposed by Japan, he noted that a cap on the use of flexible mechanisms might be a solution. Australia and New Zealand highlighted the principle of least cost emission reductions in the Convention.

On the *calculation of QELROs*, New Zealand highlighted actual emissions as the preferable starting point, with the EU noting that the starting point has significant implications for QELROs. The EU presented on the implications for QELROs of starting points, pathways and durations, highlighting that early starting points and longer durations lead to more gradual pathways and smaller QELROs, both of which may impact the “level of ambition” Annex I countries are willing to pursue.

Bolivia, supported by AOSIS, stressed the need for a top-down approach through the establishment of an aggregate emission reduction range based on best available science and then allocating individual targets based on a variety of factors including capability, with Bolivia highlighting historical responsibility as an important factor. New Zealand, Japan, the Russian Federation and Croatia argued that individual countries should establish their own target based on their assessments of national mitigation potential in a bottom-up approach whereby aggregate numbers would be derived by compiling individual pledges. The EU, Japan, Australia and Canada urged holding joint sessions with the AWG-LCA on Annex I parties’ aggregate emission reductions, noting the difficulty in discussing these numbers in the absence of some major emitting countries.

On Friday Co-Facilitator Charles noted that while discussions by the informal group had been productive, they did not lend themselves to removing or consolidating options in the documentation but that parties could update or correct their previous submissions for inclusion in recommendations to the AWG-KP Chair.

Status of the Negotiations: On Friday, the informal group forwarded a non-paper reflecting minor changes to the original documentation (FCCC/KP/AWG/2009/10/Add.1) to the AWG-KP Chair to be taken into consideration when revising the documentation for AWG-KP 9.

OTHER ISSUES: The informal group focused on issues listed in paragraph 49(c) of the AWG-KP’s work programme (FCCC/KP/AWG/2008/8), referred to as “other issues.” From Monday to Thursday, the group held four meetings on the flexibility mechanisms. On Friday, a meeting was held focusing on greenhouse gases and common metrics to calculate global warming potentials. Parties also agreed to continue with the “spin-off” group on LULUCF, which was facilitated by Bryan Smith (New Zealand) and Marcelo Rocha (Brazil) and met three times from Tuesday to Friday.

Flexibility Mechanisms: On the Protocol’s three flexibility mechanisms, AWG-KP Vice-Chair Dovland noted different views over proposed Protocol amendments, and suggested focusing on elements of draft COP/MOP decisions on emissions trading and the project-based mechanisms (FCCC/KP/AWG/2009/10/Add.3) in an attempt to find convergence and narrow down options in

the text. China, supported by Kuwait and Saudi Arabia, stressed that the document was intended to facilitate discussion and should not be used as a basis for negotiations.

On the various options related to the Clean Development Mechanism (CDM), the EU, Japan and the Federated States of Micronesia supported retaining the option related to the development of *standardized baselines*, while Brazil, Argentina, China and others preferred not addressing the issue, therefore supporting the option “no decision.”

On *multiplication and discount factors* under the CDM, Japan, China, Kuwait, India, Brazil and others did not support the development of such factors and preferred the option “no decision.” China and Brazil stressed the subjective nature of such factors and Kuwait, Japan, Saudi Arabia and others highlighted the need to avoid complexity. The EU argued that it would be difficult to establish standardized baselines without discount factors, but opposed multiplication factors. The Republic of Korea supported either discount or multiplication factors; Argentina expressed support for multiplication factors.

On whether project activity types could be placed on *positive or negative lists*, based on technologies, the host party, or project scale, Senegal, supported by Brazil, India, and the Gambia, highlighted the proven additionality of small-scale renewable technology. New Zealand noted that consideration of the host party increases complexity without added environmental benefit. Japan stressed the need to consider the current regional distribution of CDM projects. Tuvalu expressed concern on the definition of “small-scale” and said the option of negative lists should not be deleted.

On promoting *co-benefits* for CDM projects, Brazil, India, the Philippines and others supported taking no decision, while Japan, Saudi Arabia, Kuwait and others supported addressing co-benefits. Several parties supported deleting text on requiring each CDM project to demonstrate specified co-benefits, while retaining text on support for projects that demonstrate specified co-benefits.

The Least Developed Countries (LDCs), the Group of 77 and China (G-77/China), the Republic of Korea, Japan and others supported retaining text on *improving access to CDM projects by specified host parties*, while the EU preferred taking no decision, highlighting alternative ways to address regional distribution of the CDM.

On modalities for treatment of CDM projects upon *graduation of host parties*, China, Brazil, the Philippines and others supported no decision. The EU, Japan, Australia and New Zealand called for addressing the issue, with the EU stressing the need to decide what happens to CDM projects in EU member states that are non-Annex I parties. The EU and others, opposed by Japan, suggested deleting text on converting CDM projects into joint implementation (JI) projects.

On *carry-over (banking) restrictions* on Kyoto units, Ukraine, the Russian Federation and others supported no restrictions on banking beyond the second commitment period, while the LDCs, AOSIS, Sudan and others preferred extending current restrictions to the subsequent commitment periods.

On allowing *borrowing of assigned amount* from future commitment periods, the G-77/China supported no decision on the issue, while Ukraine and Canada preferred maintaining the option.

On *extending the share of proceeds*, AOSIS, the LDCs and Colombia supported retaining the option in the context of COP/MOP decisions. The EU, Japan and New Zealand highlighted related proposals for Protocol amendments, as well as links with adaptation and finance discussions under the AWG-LCA.

On including *carbon capture and storage (CCS) under the CDM*, Saudi Arabia, Japan, Nigeria, Kuwait, Iran, the EU, New Zealand, Ghana and others supported retaining the option, while AOSIS, Argentina, Brazil, Colombia, the Gambia and others preferred no decision. Brazil, supported by the Gambia, highlighted CCS as a nationally appropriate mitigation action but opposed it under the CDM. Kuwait, Saudi Arabia and Nigeria opposed language on limiting CCS under the CDM to geological formations. AOSIS highlighted that concerns regarding CCS beyond geological formations were even more serious.

During a brief discussion, Japan opposed deleting the option that *nuclear activities* are eligible under the CDM.

On *crediting based on nationally appropriate mitigation actions (NAMAs)*, the G-77/China and Tuvalu preferred no decision. Colombia highlighted concerns over scaling-up problems associated with the CDM, such as geographical distribution. The Republic of Korea supported a decision on NAMA crediting, and said the proposal aimed to help developing countries benefit from market mechanisms. The EU identified synergies with their proposal on sectoral crediting, while noting concerns over the attribution of emission reductions and monitoring, reporting and verification (MRV).

At the final meeting on flexibility mechanisms on Thursday, participants discussed options for proceeding at the Bangkok meeting. South Africa outlined two procedural scenarios: to continue refining options until agreement on the whole range of issues in Copenhagen; or to consider the mandate problem and which issues may be addressed in the negotiations. Saudi Arabia, with China, India, Oman and Ethiopia, called for a focus on Annex B and Protocol Article 3.9 (Annex I further commitments). Egypt, with China, endorsed differentiation between elements requiring Protocol amendment and those that can be adopted as COP/MOP decisions. Brazil, with many others, suggested postponing discussion on elements requiring Protocol amendments until Copenhagen. Colombia suggested discussion on whether issues should be handled by amendment or decision was best left to the legal group. Australia noted lack of agreement on whether the AWGs will meet in Copenhagen.

Status of the Negotiations: Vice-Chair Dovland introduced a non-paper reflecting additions and deletion to the relevant document (FCCC/KP/AWG/2009/10/Add.3) and parties agreed to forward it to the AWG-KP Chair for consideration when preparing revised documentation for Bangkok.

LULUCF: The spin-off group on LULUCF focused the week's discussions on land-based accounting, natural disturbances and forest management (FCCC/KP/AWG/2009/10/Add.3 annex II), CDM-related issues and data submission (FCCC/KP/AWG/2009/10/Add.3). Co-facilitator Marcelo Rocha

(Brazil) explained that due to concerns expressed by several parties, small groups on specific issues would not convene, but he suggested bilateral discussions.

Many countries said that a land-based accounting approach is a desirable long-term goal. Australia, with Switzerland and the EU, stated that they are not ready to support land-based accounting in the second commitment period. Brazil, China and Japan underscored incomplete reporting of data, as well as the existing scientific uncertainties of measurement. Many countries highlighted the difficulty of distinguishing between anthropogenic and non-anthropogenic emissions and removals, and the challenge this poses to defining natural disturbances.

South Africa suggested wider consideration of both sinks and sources, noting a limited willingness to consider positive measures. Switzerland described its proposal to address natural disturbances, highlighting the potential usefulness of discount rates throughout the LULUCF activities, but acknowledged that setting discount rates is subjective.

Responding to questions on accounting for harvested wood products (HWP), New Zealand emphasized that they do not perceive HWP as a permanent sink and they highlighted the responsibility of the producing country. Thailand and Belarus called for assistance from the Intergovernmental Panel on Climate Change (IPCC) to create guidelines for natural disturbances and peatlands.

The group also discussed eligibility of LULUCF activities under the CDM, including: afforestation and reforestation; reducing emissions from deforestation and forest degradation in developing countries (REDD); restoration of wetlands; sustainable forest management or land management activities; soil carbon management; and revegetation, forest, cropland and grazing land management. China and Brazil suggested only considering afforestation and reforestation under the CDM. Many countries supported considering REDD under other discussion tracks. Senegal, for the African Group, with Japan, Zambia, Papua New Guinea and Ethiopia, highlighted the need to improve the geographical distribution of the CDM and emphasized that broadening the scope of eligible LULUCF activities provides this opportunity. Brazil, the EU, Tuvalu and Canada called for discussion on whether activities are best considered under the CDM or NAMAs.

Parties agreed on the utility of data submission with some noting that data increases transparency and clarifies the implications of LULUCF proposals on targets. Guyana called for Annex I countries to provide data on the contribution of LULUCF to their targets. Many suggested that data submission would ideally occur before AWG-KP 9 in Bangkok, while noting the practical challenges of assembling data. Canada suggested that two types of data were being discussed: basic data that is readily available; and scenarios and projections, which require more information and are not likely to be available for Bangkok.

Status of the Negotiations: At the end of the session Co-Facilitator Rocha emphasized that voluntary submission of basic data on LULUCF with descriptions of assumptions and uncertainties through the Secretariat website will benefit all parties, clarified that no new text would be forwarded to the AWG-KP Chair, and reminded parties that new text could be submitted in Bangkok.

Greenhouse gases, sectors and sources: Questions related to greenhouse gases, sectors and sources were considered in one meeting by the informal group on other issues on Friday (FCCC/KP/AWG/2009/10/Add.3 annex III). Vice-Chair Dovland noted that it was too late in the week to draft a new non-paper on these issues but that parties' proposals for insertions or corrections to the text would be forwarded to the AWG-KP Chair to be included in the revised documentation for AWG-KP 9 in Bangkok.

Discussions centered on three issues: inclusion of new greenhouse gases for the second commitment period; metrics to calculate global warming potential (GWP); and reporting guidelines. Australia submitted a proposal building on the SBSTA conclusion (FCCC/SBSTA/2009/L.11) on this issue relating to a process beginning in 2010 with a view to adopting revised UNFCCC Annex I reporting guidelines on national greenhouse gas inventories to be based on the 2006 IPCC Guidelines for use from 2015.

On new *greenhouse gases*, Brazil, with China, India, Sudan, Saudi Arabia, Egypt and Bangladesh, supported the option of not including any new gases in Annex A of the Protocol. AOSIS supported inclusion of additional gases to prevent the development of perverse incentives to increase emissions of these gases. She noted that gases should be grouped into "families" in Annex A. Japan, the EU, Canada, and Australia supported inclusion of new gases, where there is robust scientific evidence and technical information available to support mitigation. Canada highlighted the need to ensure consistency with the Montreal Protocol on Substances that Deplete the Ozone Layer.

On *common metrics* to calculate GWPs, Brazil, supported by India, expressed preference for option 2, which uses global temperature potentials (GTPs), while outlining a third option, which would maintain the provisions of the Protocol for the second commitment period. The EU questioned how new gases would be addressed in such a scenario. Brazil noted its opposition to the addition of new gases, but said that it would be possible to create exemptions for them, stressing that its proposal is a pragmatic reflection of the complexity associated with defining GTPs under the SBSTA.

Status of the Negotiations: The facilitator of informal group recommended minor changes based on the discussions to the AWG-KP Chair to be included in revisions of documentation for Bangkok.

POTENTIAL CONSEQUENCES: Potential environmental, economic and social consequences of response measures, including spillover effects, of tools, policies, measures and methodologies available to Annex I parties (potential consequences) were considered by an informal group convening four times between Wednesday and Friday. The group focused on streamlining and consolidating the text contained in paragraphs 24-30 of the text forwarded by AWG-KP 8 (FCCC/KP/AWG/2009/9)

Parties worked line-by-line through the text forwarded by AWG-KP 8 in Annex I of the meeting's report (FCCC/KP/AWG/2009/9). Discussions focused on issues including: basis of the AWG-KP's consideration of potential consequences; relevant

COP/MOP decisions and Protocol articles; framing of the work; vulnerability and ability to respond to the impacts of potential consequences; and deepening understanding.

Regarding the basis, developing countries recommended removing reference to the Convention, noting that the text is specifically in reference to the Protocol. South Africa, for the G-77/China, noted that the current text might introduce conditionalities and standards, while on framing of the work he stressed the importance of emphasizing minimizing the negative impacts of potential consequences for developing countries.

Several developed countries underscored the repetitiveness of the current formulation of the text in the framing of the work. New Zealand highlighted the three ideas captured by the text in this section: striving to reduce negative consequences; the positive and negative consequences of mitigation actions; and the work is focused on the negative impacts in developing countries.

Saudi Arabia objected, in discussions on deepening understanding, to reference of developing country institutional capacity. The G-77/China highlighted the complexity of deepening understanding but noted that the message in the text needs to be simplified. Parties discussed the meaning of "actual impacts" with developed countries preferring "actual" or "observed," while developing countries emphasized the need to include "possible" consequences as well.

Delegates discussed the possibility of regional and global assessments as a component of deepening understanding. The EU noted that if every mitigation action requires a regional and global review process, it would significantly undermine the purpose of the Protocol to take prompt mitigation actions and that the regional and global levels might not be the most appropriate levels at which to conduct assessments. Saudi Arabia clarified that these assessments would be complementary to individual assessments of impacts by developed countries and would examine classes of policies and resulting consequences. Guyana and the Federated States of Micronesia stated that assessments are for the purpose of assessing the impacts on developing countries and how to address them. Australia said that there may be a role for such assessments but worried that negotiating the terms of reference could be a distraction to the group and requested that it take place at a later point.

Status of the Negotiations: The text, as modified during discussions throughout the week, was forwarded to the AWG-KP Chair and will be issued as regular document prior to Bangkok.

CLOSING MEETING: On Friday afternoon, the AWG-KP closing meeting took place. AWG-KP Co-Chair John Ashe invited summaries from the facilitators of the informal groups and the sub-group on LULUCF. He then explained that, before Bangkok, he would revise some of the documentation (FCCC/KP/AWG/2009/10/Add.1 and FCCC/KP/AWG/2009/10/Add.3-4) based on the non-papers by the informal groups on Annex I emission reductions and other issues. Chair Ashe also noted that a regular document would be issued to reflect the work done on potential consequence and that parties had not requested assistance from the informal group on legal matters, expressing hope "to find more work for the legal group as we move closer to Copenhagen." He indicated that he would issue a scenario

note before AWG-KP 9 on how to proceed in Bangkok, stressing that “we will have to work twice as hard in six weeks time.” Chair Ashe closed the session at 4:10 pm.

AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION

AWG-LCA Chair Michael Zammit Cutajar (Malta) opened the informal session on Monday, 10 August, saying he considered the meeting as a part of a three-week phase extending through Bangkok. He noted the length and complexity of the AWG-LCA’s revised negotiating text (FCCC/AWGLCA/2009/INF.1) and emphasized that shortening it would be a challenge. He reminded delegates that the text being discussed prior to Kyoto in October 1997 was only around 30 pages. He identified the need for balanced consideration of the elements of the BAP and hoped to have a further revised negotiating text as an outcome from the session. Sudan, for the G-77/China, said the outcome from Bonn should be a “Bonn parties’ text,” not a Chair’s revised negotiating text.

In addition to the opening session on Monday morning, the AWG-LCA convened a mid-week stocktaking meeting and a closing meeting on Friday afternoon. During the week, most of the work was undertaken in informal groups focusing on the five main elements of the BAP, namely: adaptation; finance; technology transfer and capacity building; mitigation; and a shared vision for long-term cooperative action. A number of sub-groups also convened to address the mitigation sub-paragraphs 1(b)(i)-(vi) in the BAP.

No conclusions were adopted at week’s end; instead the focus was on identifying ways to proceed. The Philippines, for G-77/China, lamented that their proposals were not clearly reflected in the revised negotiating text and, opposed by some developed countries, stressed the need to include attribution of proposals. She also emphasized that, in combining elements of the text, party ownership must be retained. Sudan highlighted the right to full participation by all parties and the need to consult parties on issues, including scheduling. The US, the EU and others expressed satisfaction with the work of the facilitators, and Mexico, for the Environmental Integrity Group, stressed the need to switch to a full negotiating mode and have a workable negotiating text in Bangkok.

Throughout the week, the informal groups and their facilitators worked toward identifying areas of potential convergence and divergence, and began developing tools to navigate through the AWG-LCA’s negotiating text, including reading guides, tables, matrices and non-papers consolidating text on some sections.

On Friday, Chair Zammit Cutajar proposed, and parties agreed, that the revised negotiating text would remain on the table, accompanied by corrections submitted by parties, and that an additional document would be posted on the UNFCCC website, containing the revised negotiating text with attributions and original notes. He explained that before Bangkok, a second information document would also be issued containing the various tools and consolidated sections. He indicated that, with the new document, parties would have a number of tools for navigating through the text but that the material would consist of their own proposals that the parties have chosen to take forward.

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

ADAPTATION: This issue was first addressed by the informal group, co-facilitated by Thomas Kolly (Switzerland) and William Agyemang-Bonsu (Ghana), on Wednesday morning. The group met four times during the week.

During the discussions, the Maldives, for the G-77/China, called for equal treatment of mitigation and adaptation, scaling up of funding, and adequate and predictable financial resources. Australia, for the Umbrella Group, stressed, *inter alia*: the importance of adaptation for all parties; and aggressive mitigation to avoid increasing the adaptation burden. With Canada, Japan and the EU, she emphasized that adaptation should be country-driven and that priority should be given to the most vulnerable. Japan said the UNFCCC should play a catalytic role in strengthening adaptation. The Umbrella Group said the UNFCCC could facilitate and catalyze activities, through, *inter alia*, sharing of best practices and information. She said financing must come from multiple sources and, with the EU and others, urged scaling up of support.

The EU underscored that the best adaptation strategy was a workable mitigation regime, and stressed integrating adaptation into sustainable development processes. Uruguay urged ambitious mitigation commitments to minimize increased adaptation costs.

Bangladesh called for, *inter alia*, financing on a grant basis, not through concessionary loans, and action at the community level. Peru, speaking for a number of countries, with Egypt and Colombia, opposed a new classification of developing countries to assess vulnerability. Burkina Faso, for LDCs, supported categorization of countries.

Peru and Paraguay said adaptation should maintain ecosystems, and called for strengthening community participation, including of indigenous communities. Indonesia requested reference to ecosystem-based management and coastal areas, and said the dynamic relationship between oceans and climate change should be reflected in the outcome. Turkey supported a new section on adaptation technologies and their transfer, and establishing executive bodies on finance and technology.

The Cook Islands, for AOSIS, supported a mechanism for facilitating and coordinating developing country access to financing. Venezuela, for several Latin American countries, said institutional arrangements should be under COP authority and guidance in the form of a multi-window system to ensure access to financing to cover debt. With Egypt, Argentina, Sri Lanka and the African Group, he said funding should come from public sources, be additional to official development assistance (ODA), and be subject to MRV. Saudi Arabia said financial and technical support should only be provided by developed countries.

China supported an adaptation committee or subsidiary body, and establishing regional centers in developing countries. The Philippines supported a learning-by-doing approach and information exchange, and asked developed countries to communicate their experiences in, *inter alia*: integrating adaptation into national development planning. The African

Group requested assistance from developed countries in costing adaptation. The US said it has committed US\$300 million in 2010 for adaptation, ten times the amount in the 2009 budget.

AOSIS and Tuvalu opposed discussing impacts of response measures under adaptation, stressing the issue is addressed under mitigation. Saudi Arabia called for reference to impacts of response measures throughout the text and adding reference to economic vulnerability. Ghana highlighted the gender component of adaptation. Bhutan and Nepal called attention to the specific vulnerabilities of ecosystems in mountainous countries.

During the week, Co-Facilitators Kolly and Agyemang-Bonsu presented consolidated text covering sub-sections on implementation, means of implementation and monitoring, along with a guiding table identifying specific paragraphs from the original text being consolidated and the rationale for that consolidation. They explained that the aim was to streamline and reduce duplication, without deleting any proposals. Many parties said consolidation was a useful exercise and could help move the process forward, while some noted inconsistencies with the original text and that specific proposals had been left out. Egypt noted the importance of including attribution of proposals in the consolidated text. AOSIS expressed concern that attributions might further complicate the text and suggested a column in the guiding table instead.

Co-Facilitator Kolly said the remaining sub-sections would be consolidated as soon as possible, noting specific comments on the consolidated text, could be sent to the Secretariat. AOSIS said a common understanding of terminology in the text should be reached. The Philippines, for the G-77/China, warned against excluding any proposals made by members of the Group. Sudan cautioned that any new proposals should be postponed until Bangkok, in the name of transparency.

Status of the Negotiations: The consolidated text, including work to be done intersessionally on the remaining sub-sections on adaptation, will be included in the new information document to be issued prior to AWG-LCA 7 in Bangkok.

FINANCE: The revised negotiating text (FCCC/AWGLCA/2009/INF.1) contains a chapter on “Enhanced action on financing, technology and capacity building,” however parties agreed to discuss financing separately under “enhanced action on the provision of financial resources and investment.” This issue was covered in four informal sessions, facilitated by AWG-LCA Vice-Chair Louis Machado (Brazil), on Tuesday, Thursday and Friday.

On Tuesday, Vice-Chair Machado requested that the Secretariat prepare a table reflecting areas of convergence and those requiring further discussion. He suggested addressing guiding principles, including access and dispersal, while postponing discussion on mobilization of funds. He also listed for discussion: questions of accountability, equity and balanced representation of all parties; coherence and coordination of funding sources; approaches for access and dispersal of funds; and addressing the needs of vulnerable developing countries.

The Philippines, for the G-77/China, highlighted the accountability of the financial mechanism to the parties, the requirement to mobilize financial resources, as well as the principle of equity.

Bangladesh emphasized the need for financial architecture under the UNFCCC, in conformity with the BAP, providing easy and direct access to resources especially for the most vulnerable countries. Barbados, for AOSIS, underscored the need to increase resources to fight climate change, provide funding for implementation of development plans and develop direct and simplified access to finance, especially for small island developing states (SIDS) and LDCs.

The US highlighted a number of domestic developments including the first contributions to the LDC Fund and the Special Climate Change Fund. On sources of funding, he stressed the role of private sources in generating the scale of financing needed. Canada highlighted the need to catalyze private financial flows and investment, called for prioritizing the needs of the poorest and most vulnerable countries, as well as maximizing the effectiveness of existing institutions, frameworks and networks. Australia said all sources of funding are important, including public and private funds, as well as the carbon market, and called for a decentralized approach in order to facilitate access to funding.

South Africa, for the African Group, said that it would not support text stipulating that all parties must contribute financial resources nor an approach suggesting differentiation among developing countries on access to financial resources. On scale of finance, she stated that the African Group would not accept an agreement on finance without a financial commitment of one percent of global gross domestic product (GDP). Uganda, for the LDCs, highlighted difficulties in implementing national adaptation programmes of action (NAPAs) due to inadequate resources.

Saudi Arabia emphasized that text requiring financial resources from developing countries would contravene the Convention’s principles and stressed that finance should be based on public funding rather than from taxes that would impact exports from developing countries. China said that the increasing emphasis on the private sector as a source of finance would lead to unpredictable funding, stressing that finance should be provided by the public sector and constitute at least 0.5-1% of developed countries’ GDP. The G-77/China and other developing countries emphasized the importance of MRV to successful mobilization of financial resources as well as providing the COP with direct control over governance.

Using a hybrid car as an analogy, Mexico noted that a hybrid set of financial mechanisms was needed with “different sets of engines that can be coordinated to ensure the vehicle is moving at the proper speed.”

On Thursday, Vice-Chair Machado presented a non-paper in the form of a table identifying elements common to many proposals and highlighting areas where better understanding is required. Discussion centered on: objectives, scope and guiding principles; generation and provision of financial resources; and institutional arrangements, including funds and institutional structure.

On **objectives, scope and guiding principles**, the Philippines, for the G-77/China, pointed to parallel views and a lack of common understanding of the term “country-driven.” The EU, Uganda, for the LDCs, and others stressed that a sense of urgency to undertake enhanced action on financing for

mitigation, adaptation and technology transfer should be stated clearly, as well as the need to prioritize support for vulnerable developing countries. Barbados, for AOSIS, said that provision of financial resources must be guided by developing countries' priorities, which he said should be contained in the overarching principle. He noted the possibility of enumerating numbers in the form of a budget, which would have a top-down approach.

Canada acknowledged strong convergence on the principles of equity and common but differentiated responsibilities, noting that the majority of parties have taken concrete actions, leading to concrete impacts. Antigua and Barbuda supported differentiating countries based on vulnerability and supported direct access through a financial mechanism under the COP. Colombia highlighted differentiation of countries in terms of vulnerability as a cross-cutting issue, and proposed that it be founded on an ecosystem-based approach. The US stressed the necessity of ascertaining the connection between the provision of finance and actions, including what the finance is being provided for. The EU cautioned against lengthy debates centering on the interpretation of the Convention.

Regarding the *generation and provision of financial resources*, debate centered on whether funds should be derived from strictly public sources or a mix of both public and private sources. Developing countries generally preferred that the primary sources of funds be public, with no conditionalities. Developed countries highlighted the role of private sources, preferring a mix of the two. Switzerland said that there was convergence on public and private sources but not on their respective roles. The EU highlighted market-based mechanisms. Barbados pointed to divergence on the extent to which public and private sources will play in the generation of funds. The US said that public funding is most effectively used for purposes such as adaptation and capacity building. Uganda, for the LDCs, advocated that governments mobilize resources from the private sector and described providing loans for adaptation as "immoral."

The G-77/China called for appropriate burden-sharing among developed country parties and adequate and predictable funding. Egypt, for the African Group, underscored the need for substantial contributions from developed countries. South Africa acknowledged divergence regarding the scale of funding and, with Bangladesh, emphasized new additional and predictable funding, beyond current ODA levels. Bangladesh called for sustained financial resources over and above 1.5% of developed country GDP. Japan, Australia and the US emphasized that assessed contributions as a key source of finance was not an area of convergence, while the EU acknowledged the need for assessed contributions. Also supporting assessed contributions of developed countries, Colombia said that 8% of the share of proceeds from joint implementation and emission trading mechanisms should go to the Adaptation Fund.

On *institutional arrangements*, the G-77/China discussed difficulties with access to finance under the Global Environment Facility (GEF) and emphasized that funding pledged outside the Convention will not be counted as meeting commitments under the Convention. South Africa said that it would be difficult to design appropriate institutional arrangements until there was common understanding of principles and functions

underpinning a financial mechanism and, with Bangladesh and others, underscored direct access under COP guidance. Barbados likened the difficulties of access to having "been given an ATM card without the pin number." Switzerland discussed the need for funding to be predictable and acknowledged problems concerning operational aspects of the current financial mechanism.

The US noted the need for convergence on a centralized and coordinated financial architecture. The EU said that convergence centered on the need to improve coordination with existing funds and entities. He said that it was important to discuss functions and not particular entities. Colombia and Canada supported a multi-window fund. Uganda, for the LDCs, supported a multi-window financial mechanism under the control of the COP to support the building blocks. Bangladesh proposed the establishment of a robust climate "bailout" plan. Canada said turning attention to key functions of the financial architecture would lead to a better understanding of how specific issues will work in practice.

Status of the Negotiations: Vice-Chair Machado indicated that the table reflecting areas of convergence and divergence had served as a useful tool to facilitate and focus discussion. He clarified that input from parties would be captured in a revised table and paragraphs would be restructured to help improve visualization. The revised table will be included in the new information document to be issued before before AWG-LCA 7.

TECHNOLOGY AND CAPACITY BUILDING: The informal group on technology and capacity building, facilitated by Kishan Kumarsingh (Trinidad and Tobago), convened in four sessions during the week, including three sessions on technology development and transfer and one on capacity building.

Facilitator Kumarsingh asked delegates to focus on potential points of convergence in the revised negotiating text. Several countries pointed to difficulties in working through the text and noted duplication of proposals. India and Saudi Arabia suggested identifying and eliminating paragraphs and proposals inconsistent with the BAP and the Convention. The Philippines, for the G-77/China, opposed by Australia and the US, requested attribution of proposals. Uganda, for the LDCs, lamented their proposals had not been clearly reflected in the revised negotiating text. Belize, for AOSIS, suggested devoting three-quarters of the time to discussing technology transfer and the rest to capacity building so as not to confuse the issues. Tanzania supported a dedicated discussion on capacity building.

AOSIS stressed that technology development and transfer must address both adaptation and mitigation, and take into account the special concerns of SIDS, particularly those dealing with economies of scale and geographical remoteness. Canada stressed a country-driven approach, while Norway identified the need to discuss the objectives and principles of a technology transfer framework. China highlighted, as priorities for consideration: institutional arrangements and the importance of promoting action under the UNFCCC; a funding mechanism; and an international action plan for addressing joint research and development (R&D), intellectual property rights (IPR) issues and innovation centers. Saudi Arabia highlighted the benefits of CCS,

called for technologies that facilitate economic diversification, and opposed limiting technology transfer to the renewable energy sector.

Some countries identified areas where possible convergence might exist, or where there might be a strong common interest, including, *inter alia*: national actions to drive technology development and deployment; supportive policy and regulatory frameworks; private sector engagement; technology needs assessments (TNAs) as a primary tool; regional innovation centers; capacity building in the context of technology; and research, development and demonstration.

The G-77/China pointed to clear divergence between developing and developed parties on certain issues, and emphasized that financing outside the framework of the financial mechanism would be unacceptable. Parties noted divergence related to, *inter alia*: means of financing; institutional arrangements; public versus private sector finance in the context of adaptation technologies; and how to stimulate action.

The US highlighted divergence regarding financing, with Japan underscoring opposing views as to whether a new institution should be established. Argentina underscored the need to establish funding and institutional mechanisms targeting actions towards technology development and capacity building.

Australia underscored sharp differences regarding IPRs. Many developing countries called for reforming the IPR regime so that it does not constitute a barrier to technology transfer. The US opposed any discussion of changes to the IPR regime and any text that sought to undermine or weaken that regime.

On **capacity building**, Norway, with Japan, Australia, the EU and others, underscored that since capacity building is a cross-cutting issue relevant to all elements of the BAP it should be integrated throughout the text and not included in a separate section. Tanzania, for the G-77/China, stressed the need to retain capacity building as a distinct section, requested a sub-section delineating actions, and proposed a mechanism, possibly in the form of a funding window, to enable financing. Brazil said capacity building must be strengthened in many areas, including REDD. The G-77/China urged the strengthening of, *inter alia*, research observation and knowledge management, education and awareness, and early warning and monitoring.

On Tuesday, Facilitator Kumarsingh introduced a table indicating potential areas of convergence and divergence. The G-77/China disagreed with some of the areas identified as having convergence, and said objectives and principles should be addressed first. Bangladesh suggested prioritizing items that can be fast-tracked. The EU suggested making concrete progress on areas where convergence exists to build trust before addressing areas of divergence. The US said: TNAs, capacity building and enabling environments should be dealt with separately; more clarification was needed on concepts such as “incentive mechanisms” and “technology information”; and references to finance should be moved to the finance section.

The EU, supported by the US, Canada, Japan and others, suggested working in smaller groups to facilitate discussions. The G-77/China opposed smaller groups at this point, with the LDCs suggesting that the main issues should first be addressed in a large group, while smaller groups could focus on removing brackets at a later stage.

On Thursday, Facilitator Kumarsingh presented a consolidated text and asked for initial reactions, and whether and how the consolidated text could be used in Bangkok. A number of delegates noted the usefulness of the consolidation exercise in moving the process forward. The G-77/China requested affirmation that the text did not represent a revised negotiating text. The EU highlighted the necessity of starting negotiations on the text and listed paragraphs where he believed rapid progress could be made. South Africa, supported by China, cautioned against focusing on peripheral areas of convergence and avoiding core issues. AOSIS said they were prepared to move forward and, with South Africa, hoped that the consolidated paragraphs could become the basis of a negotiating document.

Status of the Negotiations: Facilitator Kumarsingh said the results of the technology and capacity-building group would be used as a tool for conducting negotiations in Bangkok, and that parties would have to “crack the tough nuts,” as they move forward. The results will be included in the new information document to be issued before AWG-LCA 7.

MITIGATION: In the BAP, the text on mitigation includes the following sub-paragraphs:

- 1(b)(i) on mitigation by developed countries;
- 1(b)(ii) on mitigation by developing countries;
- 1(b)(iii) on reducing deforestation and forest degradation in developing countries, plus conservation (REDD-plus);
- 1(b)(iv) on sectoral approaches;
- 1(b)(v) on market-based approaches; and
- 1(b)(vi) on consequences of response measures.

During the informal session, the chapter on “Enhanced action on mitigation” in the revised negotiating text (FCCC/AWGLCA/2009/INF.1) was considered by an informal group facilitated by Chair Zammit Cutajar on Tuesday, Thursday and Friday. The group focused on sub-paragraphs 1(b)(i) and (ii) of the BAP, which were also taken up during closed meetings facilitated by Thomas Becker (Denmark) and Margaret Mukahanana-Sangarwe (Zimbabwe), respectively. In addition, four mitigation sub-groups focused on paragraphs 1(b)(iii) to (vi) of the BAP.

Sub-paragraphs 1(b)(i) and (ii) of the BAP: On mitigation by developed countries, discussion focused on, *inter alia*, economy-wide legally binding commitments and comparability of efforts.

Brazil, for the G-77/China, stated that developed countries must take on quantified, economy-wide reduction commitments and called for clear mid- and long-term commitments. Tanzania, for the LDCs, called for: a stricter compliance regime; clear comparability of efforts; and consideration of limits to offsetting.

China said developed countries should take efforts that are comparable in nature and magnitude, including quantified and legally binding targets, and that MRV for developed countries should be based on rules and procedures used under the Protocol. Indonesia highlighted that reducing emissions under domestic legislation is not consistent with the BAP. Bolivia stressed that developed countries have accumulated an atmospheric debt and called for ambitious targets consistent with the magnitude of the problem.

The EU highlighted the need for: comparability criteria to guide the negotiations; MRV that builds on experiences and practices under the Protocol; and a linkage with AWG-KP discussions.

Japan called for a mid-term target in the form of QELROs. The US supported legally binding mid- and long-term quantifiable emission reductions with a timetable, in the form of an appendix, schedule or register. New Zealand highlighted the need for a broad and efficient carbon market.

Canada identified convergence around certain ideas, including that developed countries must take the lead through mid-term emission reductions, and called for a “holistic view” on the comparability of efforts, taking into account a range of mitigation actions. He highlighted the need for MRV and national inventories to strengthen understanding of global emission trends, and called for a compliance and review system that enables parties to meet commitments and strengthens confidence.

During the final meeting of the group on Friday morning, the Secretariat presented on informal meetings by Co-Facilitator Becker on mitigation by developed countries, noting the focus on possibilities for reordering text related to comparability of efforts, also touching upon the issues of supplementarity and MRV.

On mitigation by developing countries, issues discussed included: differentiation; the nature of NAMAs; NAMA registries; recognition of unilateral actions; and MRV. The US supported differentiation, noting that those developing countries with greater capacity, capability and responsibility would need to exhibit greater ambition. He said that, for developing countries, actions rather than their outcome would be binding.

The Republic of Korea identified two key entry points regarding mitigation by developing countries: the legal nature of NAMAs and unilateral NAMAs. He said a future regime should provide a framework where developing countries can engage in mitigation without worrying about whether NAMAs are binding. With Singapore, he said voluntary, unilateral NAMAs must be internationally recognized, and supported a registry for this purpose.

The G-77/China stressed that NAMAs by developing countries are distinct from commitments by developed countries and proposals must reflect this, avoiding treatment of mitigation contributions of all parties in a non-differentiated, unified manner.

Indonesia, with China, stressed that NAMAs should be voluntary and cannot be used for offsetting by developed countries. South Africa, for the African Group, expressed concern with proposals to link NAMAs to the carbon market and noted that MRV of NAMA support by developed countries requires more consideration. She expressed concern over the possibility of double counting. Touching on whether the financing or the NAMA comes first, she supported establishing a workable NAMA system to enable speedy action.

Japan supported NAMAs and low-carbon growth strategies for developing countries. The EU proposed considering the “lifecycle of NAMAs” and discussing how to formulate effective NAMAs, take technology and financing needs into account, match action with support and evaluate the results.

China proposed that support for NAMAs be provided through the Convention’s mechanisms. Chile highlighted that NAMAs should be voluntary and supported by finance and technology.

Colombia agreed with the need to recognize unilateral actions internationally. Pakistan said unilateral actions should not be confused with NAMAs, which should remain loyal to the definition in the BAP. He said the registry notion requires further clarification, and should be placed in the finance chapter. Malaysia supported voluntary NAMAs, contingent on MRV of support. Singapore said enabling support for NAMAs was paramount. China proposed MRV of support by developed countries as the entry point for discussing developing country mitigation.

Japan emphasized that developed country commitments and developing country actions are linked and should both be subject to MRV. Australia supported QELROs for developed countries and differentiation among developing countries. She said flexibility must be built into the agreement for enhancing and updating commitments.

On Friday, Co-Facilitator Mukahanana-Sangarwe presented a non-paper as an example of the general approach she planned to take in preparing text for Bangkok. She stressed that the aim was to enable parties to identify common elements without changing the substance and that proposals had been grouped under nine headings. Countries then gave some detailed comments on the non-paper and the way forward, with several countries proposing changes to the headings and structure.

At the final meeting of the informal group, Chair Zammit Cutajar also drew parties’ attention to proposals that have been placed between the mitigation chapter’s heading and the sub-heading 1(b)(i). He characterized the space as the “cloud” and highlighted its sensitivity, explaining that some parties would prefer discussing certain topics together, while others stress the need to separate them. India and other developing countries stressed the “firewall” between paragraphs 1(b)(i) and (ii), opposing attempts to obscure the differences and bring proposals on MRV by developed and developing countries together. India warned against reopening issues settled on the last day of COP 13 in Bali. The US identified the need to discuss similar issues together and stressed the importance of “seeing the full picture” when considering MRV. He noted a last-minute proposal at COP 13, opposed by his country, to change text on MRV under paragraph 1(b)(ii) so that it would only apply to support for NAMAs by developed countries. He reminded parties of strong statements “by members of a certain Group” in the final plenary confirming a different interpretation.

Chair Zammit Cutajar noted mutually exclusive proposals on structure, noting that placement of text was not an editorial but political question. He emphasized that there would be a space in Bangkok for addressing this issue, suggesting that a logical place for such discussions could be somewhere “above” paragraphs 1(b)(i) and (ii). He advised parties to talk to each other “when you see each other between the meetings” and invited them to bring the fruits back to the “legitimate forum” under the UNFCCC process.

Status of the Negotiations: Chair Zammit Cutajar noted all tools, including the non-paper on paragraph 1(b)(ii), would be forwarded to Bangkok together with the revised negotiating

text, assuring that “nothing is off the table.” The tools will be included in the new information document to be issued before AWG-LCA 7.

Paragraph 1(b)(iii) of the BAP: The sub-group on reducing emissions from deforestation and forest degradation in developing countries plus conservation was facilitated by Tona La Viña (Philippines) and met twice during the week. Parties agreed to consider: objectives and scope of REDD-plus; financing for readiness activities; financing for full implementation; relationship with NAMAs; national reference levels; and sub-national REDD-plus actions. However, given the limited meeting time, parties gave Facilitator La Viña a mandate to meet with interested parties individually, develop a non-paper, and update parties informally throughout the week.

Norway requested consideration of their complete proposal. Tuvalu, Bolivia and Switzerland stressed incorporation of indigenous peoples in the deliberations.

Regarding financing for the readiness activities phase, Papua New Guinea, Guyana, Indonesia and Norway called for a three-phased approach to REDD-plus that would move it from a fund-based to market mechanism. Colombia, Indonesia, Switzerland and others suggested breaking the discussion into what will be financed by the fund and then where finances will come from. Tuvalu, supported by Norway and Zambia, considered financing of readiness activities and implementation to represent a spectrum within a single issue. The Philippines reminded parties to learn from existing efforts in REDD implementation and Tanzania highlighted the role of REDD as incentives to local communities to continue mitigation activities.

On Friday, Facilitator La Viña presented the non-paper and described the preparatory process as extremely open. Parties were generally satisfied with the facilitator’s non-paper, though there were a number of requests to better reflect parties’ ideas. A few stressed that the process should be party-driven and that there was a need for greater transparency. New Zealand highlighted critical challenges that need to be addressed, including: if REDD-plus will be market or fund-based; baseline calculations; issues of non-permanence; the scope of REDD-plus; and accounting at the national or sub-national level. New Zealand suggested creating the basis of REDD-plus in Copenhagen and addressing details in future meetings. The EU acknowledged this need to be prepared for a simple option, but cautioned against giving up on a more ambitious proposal so early.

Status of the Negotiations: There was wide agreement that the non-paper could be used as the basis for negotiation in Bangkok and the results will be included in the new information document to be issued before AWG-LCA 7. However, a number of countries clarified that all ideas remain on the table together with the negotiating text.

Paragraph 1(b)(iv) of the BAP: The issue of cooperative sectoral approaches and sector specific actions was considered on Tuesday and Thursday in an informal sub-group, facilitated by Farrukh Khan (Pakistan). He noted that certain areas in the revised negotiating text required further clarity, and requested parties to focus on certain questions, including what cooperative

sectoral approaches should and should not do, what they should do for Annex I parties and non-Annex I parties, and what should they do for all parties.

Japan emphasized the potential of sectoral approaches to reduce emissions in both developed and developing countries and noted that they help promote technology transfer and capacity building in developing countries. Brazil, for the G-77/China, said proposed actions in sectors should be voluntary and compatible with an open international economic system. Saudi Arabia said sectoral approaches should enhance implementation of Convention Article 4.1(c) (development, application and diffusion, including transfer, of technologies). He said they should not be used to set sectoral goals or targets or compare sector-specific actions between countries or regions. India said all proposals must relate to Convention Article 4.1(c), and opposed harmonization of sectoral standards.

The EU said opportunities to increase efficiency and sustainability through sectoral approaches should not be ignored, and said the shipping and aviation sectors should be included in a global agreement. Norway and Singapore suggested that the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO) update the group on recent activities, while Saudi Arabia opposed. India said they should explain how these proposals embody common but differentiated responsibilities, and how they relate to Convention Article 4.1(c).

The IMO noted 75% of ships in international trade are registered in non-Annex I countries, implying massive technology transfer for these ships, and said that funds generated under market-based approaches would be used for climate change purposes in developing countries. ICAO reported on the programme of action on aviation and climate change. Several parties, including Norway and Singapore, supported inviting ICAO and the IMO to Bangkok to answer parties’ questions; this was opposed by Saudi Arabia.

Algeria, for the African Group, said sectoral approaches were best applied at the national level and, regarding the aviation sector, said additional constraints or incremental costs should not be imposed on developing countries.

Australia said sectoral approaches can assist parties in meeting obligations, but that they should not replace economy-wide commitments or be imposed on countries. The US noted that expertise resides at the sectoral level, which provides a good vehicle to promote cooperation. Tuvalu said the section on sectoral approaches could be simplified and should not be too prescriptive or highlight specific sectors, with the exception of bunker fuels.

During the second meeting, parties considered a non-paper that structured proposals and ideas on objectives, scope and policy guidelines around the five questions. Facilitator Khan also presented a “non-non-paper,” explaining that it aimed to structure and bring further clarity to the text. He also identified questions for consideration, including: nature of sectors; level of guidance; and integration in the climate change regime. Norway and others requested that the questions be made available before Bangkok. Several parties welcomed the non-paper while expressing reservations about the “non-non-paper.”

Status of the Negotiations: Following discussion, Facilitator Khan said the “non-non-paper” would not be considered further, while the non-paper containing revised text would be put forward as a useful guide for discussions. The non-paper will be included in the new information document to be issued before AWG-LCA 7.

Paragraph 1(b)(v) of the BAP: The sub-group on various approaches, including markets, to enhance the cost-effectiveness of, and to promote mitigation actions was facilitated by Kunihiko Shimada (Japan) on Wednesday and Thursday. Discussions focused on proposals for new mechanisms, including sectoral crediting, sectoral trading, and NAMA crediting and trading.

Parties initially addressed criteria and conditions for designing market mechanisms, with the Republic of Korea stressing the need to decide whether market mechanisms are desirable. India said cost-effectiveness and enhancing mitigation are fundamental conditions for market mechanisms. The EU highlighted that market mechanisms would enhance mitigation efforts, while Venezuela stressed that no consensus existed on markets. China noted that there are challenges related to market mechanisms, as well as conditions for considering them. Saudi Arabia stressed that some market mechanisms, such as taxes and subsidies, will have significant spillover effects on developing countries and trade.

Several parties stressed the importance of environmental integrity. Colombia and Mexico, supported by South Africa, emphasized the need to consider sustainable development. The African Group and others underscored regional distribution. Cambodia and Tanzania urged mechanisms that benefit LDCs.

Japan emphasized the need for coordination with the AWG-KP, especially concerning the CDM, while Venezuela stressed the need to keep the AWG-KP and AWG-LCA separate. The US, supported by Colombia, proposed including the project-based mechanisms in a table or matrix to compare proposals and criteria for market mechanisms. The Federated States of Micronesia identified the need to consider consistency between the proposed mechanisms and the Protocol architecture, as well as their relationship to Kyoto units.

The EU presented their proposals on sectoral crediting and sectoral trading. AOSIS identified the need for clarity on sectors, the meaning of credits, boundary issues, MRV and source of funds. The Republic of Korea explained that their proposal on NAMA crediting would address problems experienced under the CDM by expanding the scope of carbon crediting to programmes and policies. He noted that a political decision would be needed on the relaxation of supplementarity and said the methodological issues could be agreed upon later.

Brazil opposed relaxing supplementarity and warned against deferring difficult methodological decisions until after the political decision to create a mechanism. The African Group said NAMAs should be funded through public sources and that crediting based on NAMAs is not acceptable. New Zealand explained that NAMA trading would be voluntary and units would be issued upfront and reconciled at the end of the period, while, for crediting, units would be issued after verification. AOSIS said it was premature to discuss crediting without first reaching a common understanding on NAMAs.

Status of the Negotiations: After discussion, parties agreed that the Facilitator should compile information to compare the various proposals and criteria for market mechanisms to assist discussions in Bangkok. The compiled information will be included in the new information document to be issued before AWG-LCA 7.

Paragraph 1(b)(vi) of the BAP: The issue of economic and social consequences of response measures was considered in an informal sub-group facilitated by Mamadou Hondia (Burkina Faso) on Wednesday and Mama Konaté (Mali) on Thursday.

Brazil, for the G-77/China, underscored that all developing countries face the negative consequences of response measures, including those affecting trade. Saudi Arabia highlighted the significant negative impacts of carbon taxes and tariffs. India and others proposed prohibiting unilateral measures against exports from developing countries. South Africa, for the African Group, urged scaling up finance for adaptation and equitable compensation for those adversely impacted by response measures, as well as support for economic diversification.

Australia, supported by Japan, the US, New Zealand, Canada and the EU, noted convergence on information exchange and encouraged accomplishing this through existing mechanisms such as national communications. In addition, they underscored the importance of a coherent approach considering the work of the Subsidiary Bodies on this issue. The EU and New Zealand urged prioritizing attention to the most vulnerable countries.

Parties subsequently considered a non-paper, containing a restructuring of parties’ proposals and ideas. China, India and Singapore, opposed by the US, suggested that India’s proposal relating to prohibiting unilateral trade measures against exports from developing countries should also be included in the preambular part of the shared vision section.

Status of the Negotiations: Parties agreed to forward the non-paper to the AWG-LCA for incorporation in the new information document to be issued before AWG-LCA 7.

SHARED VISION: This issue was first discussed in an informal group, facilitated by AWG-LCA Chair Zammit Cutajar on Wednesday and Friday. Smaller groups of countries also met to consolidate the text and work on structure with the aim of streamlining text and avoiding duplication.

During the initial discussion on shared vision, Antigua and Barbuda, for AOSIS, supported by the US, suggested incorporating elements of a shared vision into a political statement. Sudan, for the G-77/China, preferred deferring discussions until clarity had been achieved on the other building blocks.

The US and Australia said other processes, such as the G-8, the Major Economies Forum on Energy and Climate Change (MEF) and the Pacific Islands Forum, could provide useful input into this process. Stressing that a long-term global goal is crucial, the EU acknowledged progress has been made on agreement in the MEF to limit warming to not more than 2°C, as well as on the concept of peaking emissions and moving toward low-carbon economies. India cautioned against selectively quoting declarations adopted in other fora. He stressed that his country’s participation in such meetings had been based on the understanding they would provide momentum to the UNFCCC negotiations, but not feed directly into the negotiations

themselves. Japan highlighted the need for a long-term goal for all parties and the importance of referring to global peaking, low-carbon development strategies and development of innovative technologies.

During Friday morning's session, Chair Zammit Cutajar noted that Colombia, with Costa Rica, had undertaken efforts with other parties to consolidate proposals in the text and reduce duplication, while maintaining all the ideas. Colombia reported on the consolidation exercise, as well as on efforts undertaken by Antigua and Barbuda to work on structure. She said suggested groupings/categories to better organize the work included the following: political, guiding principles, actions, nature, context, and outcomes.

Many parties expressed appreciation for the work undertaken, while acknowledging that the specific results would need to be looked at more closely. India said that whatever methodology is adopted, it should not prejudice the structure of the shared vision text, and clarified that no consensus had been reached on the categories mentioned. The EU said initiatives by parties to work on the text were important, and represented a transparent approach. Saudi Arabia said the consolidation and streamlining process could continue during the first week in Bangkok before engaging in negotiations during the second week. Bangladesh stressed that language highlighting the specific needs and vulnerabilities of LDCs, SIDS and Africa should not be lost.

China said it was important that parties cooperate to promote a supportive and open economic system that would lead to sustainable economic growth and development in all countries, particularly developing countries, to enable them to better address climate change. He proposed, for inclusion in the text on shared vision, language recalling Convention Articles 3.1 (common but differentiated responsibilities) and 3.5 (supportive and open international economic system), and Convention Articles 4.3 (developed country commitments on financial support) and 4.7 (developing country implementation). He also stressed that stating that developed countries shall not resort to any form of unilateral measures against goods and services imported from developing countries on grounds of climate change.

India, Saudi Arabia, Singapore, Pakistan and Sudan supported China's proposal, while the EU requested the proposed text be bracketed, highlighting, in particular, concern with referencing Convention Article 3.5. The US noted China's proposal would entail renegotiating Convention Article 3.5, which does not prohibit unilateral measures that are consistent with agreements under the World Trade Organization (WTO). He stressed that any proposal to change international trade rules should be considered by the WTO, not under the UNFCCC. He noted the text was already introduced in the group addressing paragraph 1(b)(vi) of the BAP, and that it would be awkward to negotiate the same text here. Chair Zammit Cutajar said an appropriate place to discuss this proposal must be found.

Saudi Arabia proposed additional language stating that developed countries shall implement policies and measures to respond to climate change to minimize adverse effects, including the effects on international trade and socioeconomic impacts on other parties, especially those mentioned in Convention Article 4.8 (adverse effects).

Status of the Negotiations: Chair Zammit Cutajar said that he would contemplate how to consolidate the rest of the text, but that he would not attempt to consolidate text on the issue of the long-term global goal for emission reductions. The consolidated text will be included in the new information document to be issued before AWG-LCA 7.

CLOSING MEETING: On Friday afternoon, the AWG-LCA closing plenary convened. Chair Zammit Cutajar and Vice-Chair Machado reported on progress and outcomes from the various informal groups. Chair Zammit Cutajar explained that work done by the informal groups during the week would be captured as a collection of "tools and ideas" in a new information document to be issued well in advance before Bangkok, and that the revised negotiating text (FCCC/AWGLCA/2009/INF.1) would be retained as a repository of proposals.

The Democratic Republic of the Congo, Gabon and Mauritania urged that the text be translated into all six UN languages. Chair Zammit Cutajar said consultations had taken place on the question of translation and parties had agreed not to translate the text at this stage. Following brief informal consultations by Vice-Chair Machado, parties agreed that the new information document would be translated before Bangkok as an unofficial translation and that for the remaining meetings, until Copenhagen, similar outputs from meetings would be translated unofficially.

Argentina introduced a submission to further clarify their proposal in the negotiating text related to the social consequences of response measures and a just transition for labor from a high to a low emission economy. India reiterated his country's proposal to consider an open and supportive international economic system as crucial, and asked that it be included in the negotiating text. Chair Zammit Cutajar said new proposals could be included in an addendum in the negotiating text. Australia noted its intention to resubmit draft legislation for a planned emissions trading scheme, which was rejected by the Australian Senate during the week.

Gabon said that the climate of mistrust did not augur well for future negotiations. Venezuela reiterated that the text coming out of Bonn III did not represent consensus text. India expressed concern with the lack of progress and attempts to deviate from the Convention's principles and the BAP. Gabon, Saudi Arabia, India and Ecuador reiterated the need to treat paragraphs 1(b)(i) and 1(b)(ii) of the BAP separately. They also stressed the UNFCCC is the only negotiating body, and that agreements from other fora should not be brought into this process. The US said that all possible fora should be used for exploring and furthering convergence of views, and that ideas from those meetings should be brought to the UNFCCC process to facilitate agreement in Copenhagen. The EU said more progress could have been made in Bonn, and stressed the need to further consolidate and to concentrate on substantive and political issues.

Extending delegates a warm welcome to Bangkok, Thailand expressed hope that the meeting would afford an opportunity for moving forward with the negotiations.

Chair Zammit Cutajar expressed his appreciation to the Facilitators and the Secretariat. He called upon parties to bring their "Copenhagen cards" to Bangkok and play them there. He gavelled the meeting to a close at 6:55 pm.

A BRIEF ANALYSIS OF THE MEETING

In the middle of the northern summer, almost 2,400 participants gathered in Bonn for intersessional informal consultations of the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP). This impressive turnout of so many climate experts willing to sacrifice their holidays was a clear indication that time is running out. Delegates were reminded of this fact at the close of the session on Friday, 14 August, when the clock on the podium of the main plenary hall revealed that the beginning of the Copenhagen conference was 114 days, 15 hours and 55 minutes away.

Only six weeks earlier, many of the same delegates had left Bonn with heavy suitcases, carrying the nearly 200-page long negotiating text developed during AWG-LCA 6, as well as the various non-papers resulting from AWG-KP 8. Upon their return to Bonn, they faced what most characterized as a “considerable challenge”: to make the texts more manageable and workable so that “good old fashioned negotiations can actually begin.”

From the outset, expectations on political movement at this informal session, known as Bonn III, were modest: the vast majority agreed with AWG-LCA Chair Michael Zammit Cutajar that the session was best seen as the first part of a three-week phase extending through the next meeting in Bangkok in late September. Given the session’s informal nature, the two AWGs were not even mandated to adopt conclusions. It was, therefore, clear that Bonn III was not a meeting where major breakthroughs would happen, despite, what some characterized as “positive” political signals taken during the intersessional period in other fora, such as the G-8 and the Major Economies Forum on Energy and Climate Change (MEF). Still, by providing parties with an opportunity to start streamlining the negotiating text, Bonn III played an important role on the road to Copenhagen. Given the range of complex issues on the table, as well as the magnitude of the AWG-LCA’s negotiating text, such opportunities to focus on drafting and technical details are necessary to reach an agreement in Copenhagen. This brief analysis focuses on process and progress under both AWGs at Bonn III, and concludes with a look ahead on the road to Copenhagen through Bangkok and Barcelona.

PROCESS AND PROGRESS AT BONN III

Apart from general agreement that Bonn III was not the place for major political breakthroughs, delegates had somewhat different views on how to proceed. While some developing countries preferred continuing general discussions of the issues reflected in the texts, developed countries stressed the urgency of streamlining, consolidating and polishing the texts in each AWG so that “real” line-by-line negotiations could begin promptly in Bangkok. The key question at the meeting was therefore: how to manage the workload between Bonn III and Copenhagen, including how to best prepare for Bangkok.

AWG-LCA: At the beginning of the meeting, the AWG-LCA negotiating text (FCCC/AWG/LCA/2009/INF.1) stood at nearly 200 pages, earning it the nickname “the brick.” During the opening session, Chair Zammit Cutajar reminded parties that in October 1997 the negotiating text that became the Kyoto

Protocol two months later was only thirty pages. “Times are different, and like emissions, the negotiating text may need to peak before declining, but that’s the kind of manageable length we’re looking for,” he told delegates. Indeed, reading the AWG-LCA negotiating text is a difficult task in itself with ample opportunity to “get lost in the forest of brackets,” but whittling it down to something manageable will be, as one put it, a “monstrous” undertaking. “Afloat on a sea of brackets,” was how another described it, referencing the more than 2,000 brackets reportedly contained in the text.

How, then, to approach “the brick” and the multitude of issues before the AWG-LCA? As agreed in June, the AWG-LCA changed its working method and began addressing the key elements of the Bali Action Plan (BAP) in smaller groups. Facilitators were tasked with assisting the Chair and Vice-Chair with their work. Some groups started by discussing tables, matrices and other ways of comparing proposals in the revised negotiating text. Other groups began producing non-papers and consolidating parts of the text. Consolidation, however, entails the risk that some ideas may be lost, and this came up repeatedly. The question of party ownership became one of the key issues.

The G-77/China wanted to see attributions in the revised negotiating text, noting their proposals were difficult to find and had sometimes been combined with the proposals of others. Many developed country delegates, in turn, did not see the need for attribution, and felt this would make an already complicated text more cumbersome. In the end, a document containing the revised negotiating text with original notes and attributions was placed on the UNFCCC website.

Because of the lack of trust, reassurance was also continuously sought that the various non-papers and other tools would not form the basis for negotiations and aimed merely to help parties navigate the revised negotiating text. The facilitators reiterated that they would not remove any substantive proposals, or add any of their own ideas. Overall, despite a somewhat confusing start, the methodologies for proceeding with the “brick” under the various groups became clearer as the week went on. Some delegates, however, still complained that the plethora of “tools” was complicating the process and protracted discussion on process was “eating into valuable negotiating time.”

While the mid-week stocktaking meeting signaled a lack of clarity as to how the work being done at Bonn III would be forwarded to Bangkok and what form it would take, the mood at the closure of the meeting was somewhat more optimistic. Although many commented on “uneven” progress among the various groups, delegates did cite significant progress in the adaptation and technology groups, as well as on REDD-plus. Some, therefore, suggested that negotiations in Bangkok could begin earlier on the issues where more progress had been made at Bonn III. Well in advance of Bangkok, the consolidated texts, matrices and tables developed during the course of the meeting, as well as those to be prepared for the remaining issues, will be combined into a new information document to be used as a tool to aid the negotiations. However, the negotiating text prepared for Bonn III will remain the main text on the table, meaning that parties will have two documents in Bangkok. Therefore, for those who initially hoped to leave Bonn with a new streamlined

version of the revised negotiating text, this goal was not realized. Nevertheless, many hoped the pace would pick up and more trust would be built among parties in Bangkok.

AWG-KP: Under the AWG-KP, discussions continued on Annex I parties' emission reductions in the form of technical exercises. Targets pledged by Annex I countries – including recent announcements by Russia and New Zealand – tend to use different base years and are also based on different assumptions about sinks and market mechanisms, making them difficult to compare. Most participants, therefore, found the in-depth discussions useful, even interesting. Some developing countries said that Annex I parties were engaging in a way that they had not previously done, and said this indicated a renewed interest in the process. Still, many felt that there was little movement on the long-standing differences underpinning the AWG-KP's work: debates over the scope of the group's mandate continued to surface from time to time. Developed and developing countries continued voicing different views on whether Annex I parties' post-2012 targets should be defined using a bottom-up or top-down approach. Furthermore, most of the key Annex I parties maintain that the aggregate range of their emission reductions cannot be discussed without the US, which is not a party to the Kyoto Protocol and does not participate in discussions under the AWG-KP. Developing countries, in turn, stressed the need to keep the two AWGs separate.

Concerning the "other issues" under the AWG-KP, the focus this time was on the flexibility mechanisms. Going through the document (FCCC/KP/AWG/2009/10/Add.3), few options were deleted and some delegates were heard wondering whether parties would postpone even the less critical political compromises until Copenhagen. "This is an expensive educational exercise," commented one veteran.

Regarding the outcomes of Bonn III, the AWG-KP's deliberations were reflected in non-papers, which AWG-KP Chair John Ashe (Antigua and Barbuda) will take into account when revising the AWG-KP documents for Bangkok. Many negotiators echoed the Chair's sentiments at the closing of the session: parties will have to work "twice as hard" in Bangkok to be able to finalize an agreement in Copenhagen.

"TOUGH NUTS TO CRACK": While "an agreement in Copenhagen" is what everyone identifies as their objective, Bonn III showed that divergent views are still prevalent on many critical issues, including the legal form of such an agreement. Many felt that the discussions have not progressed since the previous round of consultations in June. However, some pointed to frank discussions during an informal seminar on the legal architecture held just prior to Bonn III, where some parties and NGOs presented their visions and which most participants characterized as interesting and useful. Many also said it was significant that, during the AWG-LCA Chair's closed informal consultations, some developing countries voiced for the first time their preference for a legally binding outcome. Many other developing countries, however, continued to expressed desire to postpone further discussions on the issue until Copenhagen, reiterating "form before function," while others preferred an outcome from the AWG-LCA consisting of a series of COP decisions. Overall, divisions remain deep as to whether the outcome should be a new legally binding instrument (as

preferred by most developed countries) and on whether the possible new instrument should replace or complement the Kyoto Protocol.

Another related issue concerns the relationship between the two AWGs. Most developing countries maintain that the two negotiating tracks must be kept separate, while many developed countries are calling for close cooperation between the two AWGs. At Bonn III, some observed that the substantive overlap between the AWGs is now increasingly visible. In addition to parallel discussions on mitigation by Annex I countries, some also identified similarities in the discussions on market mechanisms under both AWGs. These included some principled questions, such as complementarity and whether parties should set limits to offsetting. Some also alluded to links between proposals made under the Protocol to extend the share of proceeds to joint implementation and emissions trading on the one hand, and discussions on adaptation and finance under the AWG-LCA on the other. Proposals on NAMA crediting and sectoral trading have also been submitted under both AWGs. During the AWG-LCA discussions, AOSIS and some others identified the need to consider how the Kyoto units and the Protocol's legal architecture would relate to possible new market mechanisms under the AWG-LCA. In what many felt was an interesting development, the US expressed interest in including information on the Protocol's Clean Development Mechanism (CDM) in documents to be prepared for Bangkok under the AWG-LCA – a proposal facing stiff opposition from some developing countries, who stress the need to avoid bringing any issues under the Protocol to the AWG-LCA.

Legal form of the outcome and links between the two AWGs are what many would consider amongst the most sensitive procedural topics in the lead up to Copenhagen. Some of "toughest and most substantive nuts to crack" come under the AWG-LCA: specifically, how to address paragraphs 1(b)(i) and 1(b)(ii) of the BAP, namely mitigation by developed and developing countries, respectively. Most developing countries want to maintain a "firewall" between the two paragraphs, stressing fundamental differences in mitigation by developed and developing countries. However, many developed countries are interested in discussing mitigation actions that are common to all parties, in which they highlight the monitoring, reporting and verification of mitigation action.

Given the complexity and underlying fundamental differences between parties on some of these critical issues, many seem to be resigned to the fact that the Copenhagen outcome, at best, may only take the form of a skeletal agreement with most of the details to be finalized later.

THE WAY FORWARD

The next stop on the road to Copenhagen will be Bangkok at the end of September. There will be other stops – some of them outside the UNFCCC process, such as the UN Secretary-General's High-Level Event on Climate Change and the G-20 meeting in Pittsburgh in the United States, both scheduled to take place the week before Bangkok. These parallel processes are in fact where many are looking for much-needed political guidance. However, even these high-level meetings are not without dispute, as some have questioned the appropriateness of bringing ideas from these processes into the UNFCCC negotiations.

Most would agree that, without significant process in Bangkok, reaching agreement in Copenhagen will be extremely difficult. Bonn III may have just achieved the bare minimum needed to begin real negotiations in Bangkok: even though the AWG-LCA's impressive "brick" will still travel to Asia with the parties, the negotiating text will arrive in Bangkok alongside a number of reading guides, consolidated sections and other tools aimed at making it more accessible. Nevertheless, with the ticking of the clock to Copenhagen getting louder by the minute, and, with just five weeks of official negotiating sessions remaining, those hoping for an agreement in December know there is not a minute to waste. As one delegate aptly put it "Time is not our friend."

UPCOMING MEETINGS

FIRST MEETING OF THE CONFERENCE OF AFRICAN HEADS OF STATE AND GOVERNMENT ON CLIMATE CHANGE AND AFRICAN LEAD EXPERTS ON CLIMATE CHANGE:

This meeting will take place on 24 August 2009 at the African Union Headquarters in Addis Ababa, Ethiopia. The meeting will bring together negotiators and heads of state to help translate positions from African leaders into negotiating positions and text. For more information, contact Acting Director, Department of Rural Economy and Agriculture, African Union: tel: +251-11-551-7700; fax: +251-11-551-6062; e-mail: abebehg@africa-union.org; internet: <http://www.africa-union.org/root/au/index/index.htm>

WORLD CLIMATE CONFERENCE 3: The Third World Climate Conference will take place from 31 August - 4 September 2009 in Geneva, Switzerland. The First and Second World Climate Conferences, held in 1979 and 1990 respectively, resulted in major movement on climate change issues. The third conference will take as its theme "Better climate information for a better future," and will focus on how humankind can benefit from the advances in climate prediction and knowledge. It will also serve as input to UNFCCC COP 15. For more information, contact: Buruhani Nyenzi, WCC-3 Secretariat, WMO; tel: +41-22-730-8273; fax: +41-22-730-8042; e-mail: wcc-3@wmo.int; internet: http://www.wmo.int/pages/world_climate_conference

HIGH-LEVEL EVENT ON CLIMATE CHANGE: UN Secretary-General Ban Ki-moon will host an all-day, high-level event on climate change for Heads of State and Government at United Nations Headquarters on Tuesday, 22 September 2009, one day before the opening of the general debate of the sixty-fourth session of the General Assembly. For more information, see <http://www.un.org/en/events/>

INTERNATIONAL SYMPOSIUM ON CLIMATE CHANGE AT THE EVE OF THE SECOND DECADE OF THE CENTURY: This meeting will take place from 22-25 September 2009 in Belgrade, Serbia. The symposium will review: global climate change; recent developments in paleoclimate; the use of paleodata to assess the future climate under various greenhouse gas scenarios; and regional climate change. For more information, contact: Djordje Sijacki; e-mail: Milankovic09@sanu.ac.rs; internet: <http://www.sanu.ac.rs/English/Milankovic2009/Milankovic.aspx>

INTERNATIONAL SYMPOSIUM ON ICTS AND CLIMATE CHANGE: This symposium on information and communication technology (ICT) and climate change will take place on 23 September 2009 in Seoul, Republic of Korea. The symposium will be webcast and participants can participate remotely. For more information, contact: Arthur Levin, International Telecommunication Union; tel: +41-22-730-6113; fax: +41-22-730-5853; e-mail: arthur.levin@itu.int; internet: <http://www.itu.int/ITU-T/worksem/climatechange/200909/index.html>

PITTSBURGH G-20 SUMMIT: The next meeting of the Group of 20 industrial and emerging market economies will take place in Pittsburgh, Pennsylvania, United States, from 24-25 September 2009. For more information, go to <http://www.pittsburghsummit.gov/>

AWG-LCA 7 AND AWG-KP 9: The seventh meeting of the AWG-LCA and the ninth session of the AWG-KP are scheduled to take place from 28 September - 9 October 2009 in Bangkok, Thailand. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

HIGH-LEVEL MEETING ON AVIATION AND CLIMATE CHANGE: This meeting, organized by ICAO will meet from 7-9 October 2009 in Montreal, Canada. The meeting will review the Programme of Action recommended by the Group on International Aviation and Climate Change (GIACC). For more information, contact: ICAO Environment Section, tel: +1-514-954-8022; fax: +1-514-954-6769; e-mail: envhlm@icao.int; internet: <http://www.icao.int/HighLevel2009/>

GLOBAL RENEWABLE ENERGY FORUM 2009: SCALING UP RENEWABLE ENERGY: This meeting, co-organized by the Ministry of Energy of Mexico and UNIDO, will take place from 7-9 October 2009 in León, Mexico. The Forum will seek to promote dialogue in order to strengthen interregional cooperation and encourage innovative multi-stakeholder partnerships aimed at scaling up investments in renewable energy. For more information, contact: Pradeep Monga, Director, Energy and Climate Change Branch, UNIDO; tel: +43-1-26026-3018; e-mail: GREFMexico2009@unido.org; internet: <http://www.grefmexico2009.org/>

13TH WORLD FORESTRY CONGRESS: This meeting will take place from 18-23 October 2009 in Buenos Aires, Argentina. The meeting's focus is "Forests in development: a vital balance," and will have a day devoted to "Forests and climate change: to Copenhagen and beyond." For more information, contact: Leopold Martes, Secretary-General of World Forestry Congress; tel: +54-11-4349-2104; e-mail: lmontes@cfm2009.org; internet: <http://www.cfm2009.org>

7TH WORLD FORUM OF SUSTAINABLE DEVELOPMENT: OUAGADOUGOU 2009: This conference will take place from 19-22 October 2009 in Ouagadougou, Burkina Faso. The theme is "Climate Change, Mobility and Sustainable Prospects of Development." For more information, contact: Louis Blanc Traore, Ministry of Environment; tel: +226-5031-3166; fax: +226-5030-6491; e-mail: lbraore@yahoo.fr; internet: http://www.fmdd.fr/english_version.html

31ST SESSION OF THE IPCC: This meeting will take place from 26-28 October 2009 in Bali, Indonesia. Prior to the meeting, Working Groups I, II and III will approve their respective outlines for the Fifth Assessment Report. For more information, contact: the IPCC Secretariat; tel: +41-22-730-8208; fax: +41-22-730-8025; email: ipcc-sec@wmo.int; internet: <http://www.ipcc.ch>

RESUMED AWG-LCA 7 AND AWG-KP 9: A resumed seventh session of the AWG-LCA and the resumed ninth session of the AWG-KP are scheduled to take place from 2-6 November 2009 in Barcelona, Spain. For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

CONFERENCE ON AVIATION AND ALTERNATIVE FUELS: This conference is organized by ICAO and will take place from 16-18 November 2009 in Rio de Janeiro, Brazil. This conference will showcase the state of the art in aviation alternative fuels and potential implementation. For more information, contact: ICAO Air Transport Bureau; tel: +1-514-954-8219, ext. 6321; e-mail: envcaaf@icao.int; internet: <http://www.icao.int/CAAF2009/>

SEVENTH WORLD FORUM OF SUSTAINABLE DEVELOPMENT: PARIS 2009: This conference will take place from 19-20 November 2009 in Paris, France. The theme is “The new world order: after Kyoto and before Copenhagen.” For more information, contact: Passages-ADAPes; tel: +33 01 43 25 23 57; fax: +33 01 43 25 63 65 / 62 59; e-mail: Passages4@wanadoo.fr; internet: http://www.fmdd.fr/english_version.html

UNFCCC COP 15 AND KYOTO PROTOCOL COP/MOP 5: The fifteenth Conference of the Parties to the UNFCCC and fifth Meeting of the Parties to the Kyoto Protocol are scheduled to take place from 7-18 December 2009 in Copenhagen, Denmark. These meetings will coincide with the 31st meetings of the UNFCCC’s subsidiary bodies. Under the “roadmap” agreed at the UN Climate Change Conference in Bali in December 2007, COP 15 and COP/MOP 5 are expected to finalize an agreement on a framework for combating climate change post-2012 (when the Kyoto Protocol’s first commitment period ends). For more information, contact: UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int/>

GLOSSARY

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
GEF	Global Environment Facility
GTP	Global temperature potential
GWP	Global warming potential
ICAO	International Civil Aviation Organization
IMO	International Maritime Organization
IPCC	Intergovernmental Panel on Climate Change
IPR	Intellectual property rights
JI	Joint implementation
LDC	Least developed country
LULUCF	Land use, land-use change and forestry
MEF	Major Economies Forum on Energy and Climate Change
MRV	Monitoring, reporting and verification
NAMA	Nationally Appropriate Mitigation Action
QELROs	Quantified emission limitation and reduction objectives
REDD	Reducing emissions from deforestation in developing countries
REDD-plus	Reducing emissions from deforestation in developing countries, plus conservation
SIDS	Small Island Developing States
TNA	Technology Needs Assessment
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organization