

## SB 30 AND AWG HIGHLIGHTS: MONDAY, 8 JUNE 2009

In the morning, the AWG-LCA met in an informal plenary. Throughout the day, various contact groups and informal consultations took place under the AWG-KP, AWG-LCA, SBI and SBSTA.

### AWG-LCA INFORMAL PLENARY

The AWG-LCA informal plenary began with a tribute to Vladimir Tarasenko, Head of the Delegation of Belarus, who passed away suddenly on Saturday afternoon. Belarus, the Umbrella Group, the G-77/China, the EU, AOSIS and the Environmental Integrity Group all noted his prominent role and important contribution to the UNFCCC negotiation process, and expressed their condolences to his family and friends. AWG-LCA Chair Zammit Cutajar said the best way to honor his memory is to continue to work with the same dedication that Vladimir Tarasenko had always shown. Delegates then observed a minute of silence.

**MITIGATION:** Parties continued commenting on the mitigation chapter in the Chair's draft negotiating text (FCCC/ AWGLCA/2009/8).

**Developing country mitigation:** Discussions continued on issues related to paragraph 1(b)(ii) of the BAP (developing country mitigation).

The Philippines, for the G-77/CHINA, highlighted that NAMAs are distinct and separate from mitigation commitments by developed countries in terms of both their magnitude and legal nature. She identified the need to comply with the Convention's principles, including the right to sustainable development. She stressed the need to implement Convention Article 4.7, which indicates that action by developing countries is related to the effective implementation by developed countries of their commitments on the transfer of financial resources and technology. She said MRV should only apply to actions enabled by financial, technological and capacity building support by developed countries, which must also be subject to MRV. She identified the need to find ways to internationally recognize actions implemented by developing countries using their own resources.

Several developing countries highlighted the link between NAMAs and developed country support. PAKISTAN stressed that support for NAMAs must be additional. CHINA identified the need to treat text on action and support in a balanced manner. SAUDI ARABIA, the GAMBIA, MEXICO, CHINA and others

indicated that NAMAs should be voluntary. CHINA highlighted the need for flexibility, enabling developing countries to choose mitigation actions based on their national circumstances.

SWITZERLAND said NAMAs should reflect countries' evolving capabilities and lead to quantifiable results, saying action by the most advanced developing countries should result in measurable deviation from business-as-usual. He said proposals referring to low-emissions development strategies would be useful for most advanced developing countries, but be too demanding for less advanced developing countries.

PAKISTAN expressed concern over terminology such as "emissions pathways" and "deviation from baseline," and said differentiation of developing countries is extraneous to the AWG-LCA's work and the BAP. He proposed a chapeau clearly delineating developing countries' overriding priorities of economic growth and poverty eradication. BOLIVIA stressed that technology transfer and capacity development must be measured and assessed before considering NAMAs, and that NAMAs will only be implemented after developed countries have complied with their finance and technology commitments.

BRAZIL underscored the importance of recognizing unilateral actions by developing countries, and that unilateral actions are not NAMAs. MEXICO highlighted that the text does not reflect the large number of unilateral actions already undertaken by developing countries. She expressed interest in the link between NAMAs and low-carbon development strategies.

The REPUBLIC OF KOREA highlighted his country's proposal for a NAMA registry and expressed willingness to consider related proposals by other countries. CHINA said a possible registry should include both actions and support. PAKISTAN identified the need to further work on text relating to registries and to the support and accreditation mechanism. BOLIVIA said she was unconvinced about the usefulness and necessity of a register, and expressed difficulties with using offsets. BRAZIL said the registry should not replicate CDM procedures and that financial support within the registry should not generate offsets. Regarding NAMAs, SWITZERLAND said REDD-plus, including agriculture, should play an important role. He supported clarifying the proposed registry as a tool that will enable MRV of NAMAs, as well as financial and technology support, in a transparent manner.

CHINA and others stressed that MRV only applies to supported NAMAs, and identified the need to enhance the text concerning MRV of support. PAKISTAN called for a MRV mechanism that is independent from national communications.

GHANA opposed additional reporting requirements on developing countries. SWITZERLAND said NAMAs benefiting from financial and technological support or carbon credits must be verified according to guidelines that will need to be developed under the COP.

**REDD-plus:** Parties then considered issues related to paragraph 1(b)(iii) of the BAP (REDD-plus).

Regarding objectives, scope and principles, the Philippines, for the G-77/CHINA, stressed that REDD activities should receive appropriate financial and technological support. South Africa, for the AFRICAN GROUP, favored a broad scope for REDD, not limited to forestry.

The EU highlighted a link between REDD-plus actions and low-carbon development strategies. He called for: a clear reference to the ambition level; emphasis on readiness; integrating biological diversity considerations into REDD; and ensuring that parties are ready to introduce REDD policies and have the requisite capacity.

NEW ZEALAND supported including an article establishing a REDD or REDD-plus mechanism. He called for a process to define scope, and options to address non-permanence. NORWAY highlighted their submission, stressing the need for criteria for adding new activities. She also called for a phased approach and, supported by the EU, emphasized the need to establish safeguards for biodiversity.

BRAZIL, BOLIVIA and TUVALU supported addressing REDD in the context of NAMAs, and opposed offsetting. INDIA, supported by TOGO, highlighted the need for an explicit definition of REDD-plus actions. TUVALU identified the need to clarify the concept of REDD-plus. TUVALU, PARAGUAY and BOLIVIA requested reference to the UN Declaration on the Rights of Indigenous Peoples. Underscoring difficulties with the overall framework for addressing REDD under the Convention, TUVALU noted the need to address demand-side drivers of deforestation and forest degradation.

MEXICO proposed introducing language on the co-benefits of REDD-plus actions, as well as taking into account the distribution of benefits to local and indigenous communities.

PAPUA NEW GUINEA opposed including reference to other non-forest land-use activities, and said discussions on including REDD in NAMAs were premature. He suggested limiting leakage discussions to domestic leakage, and opposed sub-national accounting.

The US said the text should include language encouraging all parties to consider actions that relieve pressure on forests and land, which result in emissions. He said a broader view of REDD-plus must be taken, considering the dynamic links between population growth, consumption patterns and land-use decisions. He expressed concern with the text's structure, and urged consolidating provisions, which have much in common with other types of mitigation actions into the broader mitigation framework. He said the provisions on financing and institutional arrangements should be included in their respective sections in the text, and not repeated in the REDD section.

JAPAN highlighted the co-benefits of sustainable forest management, called for clarification of the meaning of permanence, and said accounting should take place at the national level. COLOMBIA said the text should reflect national circumstances and be flexible, and said NAMAs and REDD were not necessarily "mixed." PANAMA, supported by PARAGUAY, stressed that REDD-plus and NAMAs should be kept separate to reflect the importance of REDD-plus as an option for reducing emissions.

PARAGUAY supported reference to the role of indigenous peoples, and coordination with related agreements and programmes. He said that addressing the socio-economic

consequences of REDD-plus requires reflecting the underlying causes of deforestation and emissions, which are linked to consumption patterns.

AUSTRALIA called for a forest carbon market in the post-2012 regime, saying a market mechanism is the only option capable of generating funding at the required scale. She noted the aspiration to expand REDD-plus to broader coverage of the land sector. She also supported: voluntary participation; robust, transparent and simple MRV; an effective and efficient governance framework to minimize transaction costs; and capacity building that supports non-climate outcomes.

CHINA stressed voluntary participation, suggested deleting reference to land use, noted connections to sustainable development, and said REDD should not be an offset mechanism.

On means of implementation, the AFRICAN GROUP, BOLIVIA, EL SALVADOR and PARAGUAY expressed preference for the use of public funds as opposed to market mechanisms, while INDIA and INDONESIA supported a combination of market and non-market approaches.

PAPUA NEW GUINEA stressed that readiness funding must come from multiple sources, and that market-based reductions must be additional and not simply part of an offsetting mechanism. COLOMBIA supported MRV of finance for readiness by developed countries and said language on finance for REDD-plus should be strengthened and specific resources identified.

TUVALU supported new and innovative sources of funding, such as: auctioning of allowances; levies on international transport; and trust funds. He opposed using market mechanisms for REDD, noting they can lead to problems associated with leakage, permanence and additionality. He also supported a REDD funding window in a broader climate change fund.

The US said some of the MRV elements should be included within the broader MRV section under mitigation. PAPUA NEW GUINEA supported use of IPCC guidelines and methodologies, saying that verification of actions should be undertaken by an expert review team under the COP, and that verification of support should be done by a technical panel with developing and developed country representatives.

PARAGUAY noted the increase in costs created by the proposed MRV, called for commitments to cover these costs and expressed preference for a funding mechanism under control of the COP. INDIA stressed that MRV of actions should be limited to supported actions, and that MRV of support should be elaborated and specified, stressing that the two are complementary.

## **CONTACT GROUPS AND INFORMAL CONSULTATIONS**

**ANNEX I EMISSION REDUCTIONS (AWG-KP):** In a contact group, parties focused on issues relating to: the number and length of commitment periods; their starting date; and how to define targets in relation to the commitment period or periods.

Concerning the number and length of commitment periods, several parties highlighted the need to evaluate commitments in light of new science, including the IPCC AR5, expected to be finalized in 2014. Some parties also noted the need to regularly evaluate compliance with commitments. COLOMBIA highlighted negotiating costs as a relevant consideration. The EU, AUSTRALIA, the AFRICAN GROUP and others stressed the need to send a signal to the carbon markets and the private sector.

BOLIVIA underscored that the priority is addressing climate change and not giving a signal to the carbon market.

SOUTH AFRICA proposed having either a single long commitment period, with a mid-term review process, or two five-year commitment periods, which will provide an opportunity to reevaluate commitments based on new science. COLOMBIA

proposed having two commitment periods from 2013-2020 and 2021-2027, with a mid-term review in the middle of each commitment period. The AFRICAN GROUP preferred a long commitment period in order to avoid frequent negotiations and the associated costs. She also highlighted African countries' desire to increase their participation in the carbon market. Micronesia, for AOSIS, proposed one commitment period, from 2013-2017, stressing the need to avoid locking in the current "insufficient level of ambition" in the long term. She also clarified that their proposed reduction of 45% from 1990 levels by 2020 by all Annex I parties would translate to a second commitment period reduction target of 33%.

The PHILIPPINES proposed two five-year commitment periods, from 2013-2017 and 2018-2022. He also expressed flexibility and willingness to consider the proposal by AOSIS for a single five-year commitment period, but objected to an eight-year commitment period as being too long. AUSTRALIA expressed preference for a single commitment period, and openness to consider five or eight years.

JAPAN objected to 2013-2017, stating it is too short a commitment period, and also opposed having two commitment periods, saying this would lock in the distinction between developed and developing countries for too long. He said the option of "2013-V" should be included in the text. The EU proposed a period of 2013-2020, but, with NORWAY, expressed openness to considering other options. NORWAY noted the merits of a longer commitment period, but emphasized the need for reviews based on evolving science.

COSTA RICA supported having two commitment periods, and proposed agreeing on the targets for the first one now while leaving the targets for the second commitment period to be decided later. INDIA proposed a commitment period of 2013-2020 with a review in 2016. SWITZERLAND preferred a single commitment period ending in 2020, and suggested an option of showing "demonstrable progress" rather than conducting a mid-term review. COSTA RICA, COLOMBIA, the AFRICAN GROUP and the PHILIPPINES supported the need for a mid-term review.

AUSTRALIA suggested referring to the contact group on legal matters the question of how a country's commitments would be adjusted halfway through a commitment period as a result of the mid-term review outcome.

On setting a base year or base period, South Africa, for the G-77/CHINA, the EU, SWITZERLAND, NORWAY, the REPUBLIC OF KOREA and AOSIS highlighted the need for comparability, and supported maintaining 1990 as the base year. The RUSSIAN FEDERATION also supported 1990, but added that multiple base years, with 1990 as one of them, would also be acceptable. CANADA proposed having a more recent reference year. NEW ZEALAND supported 1990 as a base year, adding that a more recent reference year should be included, as this -better reflected parties' efforts and better addressed population changes. They also noted the possibility of including multiple base years.

JAPAN said 1990 as a base year favors certain countries and supported expressing commitments as absolute magnitudes, highlighting that this avoids base year questions.

AOSIS said that multiple base years are confusing and, supported by AUSTRALIA and NEW ZEALAND, said the commitments from the first commitment period should be retained in Annex B. THAILAND suggested adding a column in Annex B for *per capita* emissions.

The EU expressed concern about equating comparable percentage targets with comparable efforts. INDIA suggested examining changes in CO<sub>2</sub> intensity from 1990 to the end of the second commitment period.

Parties next discussed whether to amend Annex B or add a new annex c. NEW ZEALAND proposed a new annex c, but expressed willingness to amend Annex B through a new table inscribed in the annex.

AUSTRALIA, supported by JAPAN, and opposed by SOUTH AFRICA, BRAZIL, CHINA and others, suggested referring to the contact group on legal matters, the questions of: how to add a new annex c; how it would relate to Protocol Article 20.1 (amendments to the Protocol); and whether the Protocol would need to be amended before the second commitment period.

The REPUBLIC OF KOREA suggested differentiating among actions rather than among countries and, with BRAZIL, CHINA, SINGAPORE and others, opposed the proposal for a new protocol. Informal consultations will continue.

**LEGAL MATTERS (AWG-KP):** Parties considered proposals by Belarus, the EU and Japan concerning procedures for amending Protocol annexes.

BELARUS, supported by the RUSSIAN FEDERATION, stressed his country's experience with the time-consuming nature of the existing amendment procedures, and provided text on simplified amendment procedures for Annexes A and B, and the possible annex c. The EU noted extensive discussions on the issue in the context of the second Protocol review under Article 9. He outlined two options for simplifying the amendment procedures: an "adjustment" option; and an "opt-out" option. JAPAN discussed his country's proposal concerning amendment procedures, saying that the general objective is similar to the other proposals. Parties noted possible overlaps between the three proposals. Co-Chair de Wet suggested, and the proponents of the proposals agreed, to consult informally on the possibility of combining their proposals.

In response to questions by Japan and Australia regarding the consideration of other legal issues, Co-Chair de Wet recalled instructions from the AWG-KP Chair to focus only on the legal questions and drafting requests that are referred to the group by other AWG-KP contact groups. CHINA and the UNITED ARAB EMIRATES highlighted the need to respect the AWG-KP's mandate and the contact group's focus.

**OTHER ISSUES (AWG-KP):** The LULUCF spin-off group convened informally for the Co-Chairs to present their new non-paper. The Co-Chairs reported that the non-paper contains new text on, *inter alia*, harvested wood products, the bar approach and wetlands.

**CAPACITY BUILDING UNDER THE CONVENTION (SBI):** In the morning, the contact group continued considering a draft COP decision. Parties discussed how to reference priority issues identified in the capacity building framework. Outstanding issues also included: whether to state that "huge," "significant" or "some" capacity building gaps remain; references to new capacity building needs and priorities that could emerge from the AWG-LCA negotiations; and a reference to the "integrated approach" to capacity building taken by the GEF.

**CAPACITY BUILDING UNDER THE PROTOCOL (SBI):** In the contact group, parties considered a draft COP/MOP decision paragraph by paragraph. Canada, for the UMBRELLA GROUP, proposed text regarding the process for information gathering for reporting and reviewing the implementation of the capacity building framework. Tanzania, for the G-77/CHINA, proposed language requesting the Secretariat to establish means of measuring the success of the implementation of the framework. On next steps, the G-77/CHINA proposed text on: identifying areas or parameters to measure success over the next five years, ahead of the third comprehensive review; key areas to focus on over the next five

years, informed by new and additional capacity needs under other work; and ensuring that each activity or action is clearly supported by measurable financial support, consistent with decision 2/CP.7 (capacity building in developing countries). Informal consultations will continue.

**NON-ANNEX I NATIONAL COMMUNICATIONS (SBI):** During informal consultations, delegates went through, paragraph by paragraph, draft conclusions on the provision of financial and technical support. They discussed, *inter alia*, information on financial support provided by the GEF for preparing national communications (FCCC/SBI/2009/INF.5), with some noting the late date of the document's release. Informal consultations will continue with a revised draft text.

**FINANCIAL ISSUES (SBI):** During informal consultations, delegates began with a discussion on text proposed by a group of countries on elements for inclusion in a draft COP decision on the fourth review of the financial mechanism. There was some discussion on providing further guidance to the GEF, as defined through the AWG-LCA, with some delegates noting that the need for further guidance should not be presumed. Some participants cautioned against prejudging the outcome of the AWG-LCA, noted the relevance of ongoing negotiations on intergovernmental arrangements, and urged making as much progress as possible at this meeting. Some noted that adjustments would need to be made when the final report of the GEF's Fourth Overall Performance Study comes out. The Co-Chairs will consolidate the proposals into a draft decision text for the next meeting.

Regarding the SCCF, there was some discussion about whether to include the SCCF assessment in the fourth review, with some preferring it be done at SB 32 to ensure more information would be available. The Co-Chairs will present draft SBI conclusions for consideration by the group.

**BUDGET (SBI):** Informal consultations on the programme budget for the biennium 2010-2011 took place in the morning and afternoon. Delegates considered revised draft SBI conclusions. Discussions centered on whether or not to determine an amount for the contingency fund in view of possible additional activities depending on the Copenhagen outcome, and the modalities for the SBI to approve a contingency budget at a later stage. Discussions will continue.

**ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS (SBI):** Informal consultations on arrangements for intergovernmental meetings took place in the morning and afternoon. Delegates considered revised draft SBI conclusions, but divergent views remained on when the AWGs should report to the COP and COP/MOP plenaries in Copenhagen. Several parties expressed preference for convening SBSTA and SBI in Copenhagen but deferring some agenda items until May – June 2010. Concerns were raised by several parties on the possibility of holding informal closed sessions during the high-level segment. Informal consultations will continue.

**REDD (SBSTA):** During informal consultations, parties resumed consideration of the draft SBSTA conclusions, with the only outstanding issue being the question of referring to "reference levels" and/or "reference emission levels." Parties then moved on to consideration of the draft COP decision, briefly sharing views on the preambular text.

**PROTOCOL ARTICLES 2.3 AND 3.14 (SBSTA/SBI):** In the contact group, parties finished their first consideration of the draft conclusions proposed by the Chair on Protocol Article 2.3 (adverse effects of policies and measures) and then commenced the first reading of the draft conclusions on Protocol Article 3.14 (adverse effects and impacts of response measures).

Discussions revolved around whether to interlink the conclusions by referring to both the SBI and SBSTA at the beginning of each paragraph. Some developed countries emphasized the importance of coherence, while some developing countries stressed that the issues should be addressed separately.

On Protocol Article 3.14, Saudi Arabia, for the G-77/CHINA, called for a phased approach to the implementation of decision 31/CMP.1 (matters relating to Protocol Article 3.14). AUSTRALIA recommended reference to "the poorest and most vulnerable developing country parties." NEW ZEALAND said parties should use national communications as a vehicle for sharing information on the adverse effects being experienced.

**PRIVILEGES AND IMMUNITIES (SBI):** During informal consultations, parties considered two options: an amendment to the Protocol or a COP/MOP decision. They also considered how limited immunities could be accorded to experts serving under the constituted bodies. Discussions will continue.

### IN THE CORRIDORS

As the second week of the meeting began, many delegates were thinking about the organization of work for the remaining days of "Bonn 2", "Bonn 3" and beyond. While the AWG-LCA completed the first reading of text related to the first three mitigation paragraphs in the BAP, some grew increasingly skeptical of the prospect of finishing the second reading of the draft negotiating text at Bonn 2 - "I don't think we'll finish it here, but what happens if we aren't even able to finish it during Bonn 3?" wondered one seasoned negotiator. Despite not completing comprehensive discussions of the mitigation text during the first reading, some delegates were glad the second reading of the adaptation chapter would begin on Tuesday. "It's progress, but until everybody's words are on paper it's hard to see where this thing is headed," one delegate observed.

Indeed, getting those words on paper to meet the deadline for submitting text set by the AWG-LCA Chair for Monday evening was a key activity after-hours at the Maritim: nearly every small meeting room was filled with delegates working into the evening to prepare their textual proposals. "Looks like this is dinner," one delegate sighed, pointing to his cup of coffee as he hurried back to a meeting. "It's only Monday and already it feels like those late nights at the end of a meeting."

Under the AWG-KP, a long contact group session convened to discuss Annex I further emission reductions, with several hours of further informal discussions on the topic scheduled for Tuesday. Some characterized the atmosphere during Monday's discussions as "quite congenial," and parties could be seen looking relaxed and exchanging friendly banter afterwards. "But obviously, there are still no concrete numbers on the table from all parties," one noted. Some developed country delegates also worried that the flexibility mechanisms were not being given enough attention, while others lamented what they felt was a too narrow mandate for the legal matters group.

Informal consultations were also taking place on the upcoming sessions of the AWG-LCA and other bodies, including the Copenhagen meeting itself. The side-event on COP 15, organized by Denmark during lunchtime, was well-attended: "I'm glad to hear that they are placing a lot of emphasis on good coffee and healthy food," commented one participant, adding that: "Considering how tough Copenhagen will be, these will be vital."

**In Memoriam:** The *Earth Negotiations Bulletin* expresses its deepest sympathies to the Delegation of Belarus and the family of Vladimir Tarasenko.