

## AWG-LCA 7 AND AWG-KP 9 HIGHLIGHTS: MONDAY, 2 NOVEMBER 2009

The Barcelona Climate Change Talks opened on Monday morning with a welcoming ceremony. In the morning, the opening plenaries of the AWG-KP and the AWG-LCA took place. In the afternoon, contact groups convened to consider adaptation, mitigation, finance and technology under the AWG-LCA and Annex I emission reductions and potential consequences under the AWG-KP.

### WELCOMING CEREMONY

Yvo de Boer, UNFCCC Executive Secretary, highlighted progress in Bangkok on adaptation, technology, reducing emissions from deforestation and forest degradation in developing countries (REDD) and capacity building. He called for clarity on ambitious emission reduction targets for Annex I countries, nationally appropriate mitigation actions (NAMAs) by developing countries and on long and short-term financing. He also underscored the need to establish trust and strengthen cooperation to achieve progress towards success in Copenhagen.

Núria Marín Martínez, Mayor of L'Hospitalet, highlighted the role that local authorities can play in addressing climate change, drawing attention to commitments under the Covenant of Mayors against Climate Change.

Jordi Hereu, Mayor of Barcelona, stressed the need to connect local and regional policies and actions to effectively address climate change and called for inclusion of reference to local authorities in a climate change agreement.

Connie Hedegaard, Minister of Climate and Energy, Denmark, emphasized that the Barcelona session is paramount for success in Copenhagen where a coherent and ambitious solution is required to address the challenge of climate change. She highlighted "in-depth, frank and constructive discussions" during a recent meeting under the Greenland Dialogue on finance and mitigation, encouraging delegates to emulate this constructive spirit in Barcelona. She acknowledged the difficulty of getting binding agreement on all of the building blocks under the Bali Action Plan (BAP), pointing to further work required, and called on delegates to "walk the last mile to Copenhagen."

María Teresa Fernández de la Vega, Vice-President of Spain, underscored the need to respond to climate change and highlighted the consequences of slowing down actions. Drawing

attention to the window of opportunity to push forward a new green economy as a consequence of the global economic crisis, she said renewable energy would be one of the priorities of her country's Presidency of the European Union (EU) in 2010. She also said €100 million of financing would be provided by Spain by 2012.

José Montilla Aguilera, President of the Generalitat de Catalunya, stressed that local and regional governments, not just states, desire to participate in, and contribute to, actions to address climate change. He said the Government of Catalunya has turned the fight against climate change into a main pillar of action, including through its renewable energy and sustainable transportation policies.

### AWG-LCA

**ORGANIZATIONAL MATTERS:** AWG-LCA Chair Michael Zammit Cutajar (Malta) opened the resumed seventh session of the AWG-LCA and introduced his scenario note (FCCC/AWGLCA/2009/13). He explained that the six contact groups established in Bangkok would continue, namely on: a shared vision for long-term cooperative action, co-chaired by Chair Zammit Cutajar and Sandea de Wet (South Africa); adaptation, co-chaired by William Kojo Agyemang-Bonsu (Ghana) and Thomas Kolly (Switzerland); mitigation, chaired by Chair Zammit Cutajar; finance, co-chaired by Farrukh Khan (Pakistan) and Jukka Uosukainen (Finland); technology, co-chaired by Kunihiko Shimada (Japan) and Kishan Kumarsingh (Trinidad and Tobago); and capacity building, co-chaired by Lillian Portillo (Paraguay) and Georg Børsting (Norway).

Chair Zammit Cutajar then drew attention to non-papers listed in his scenario note, highlighting new non-papers: No. 31 on adaptation; No. 33 on a shared vision; No. 26 on sub-paragraph 1(b)(ii) of the BAP; and No. 34 on finance. He noted supporting material to the non-papers, consisting of an updated list of proposed new institutional arrangements and a "numbers" paper on quantifications by parties in their proposals on a long-term global goal for emission reductions and on related mid-term goals.

Chair Zammit Cutajar explained that it might be necessary for formal meetings to be extended beyond 6 pm in Barcelona and said he would convene informal consultations during the week to maintain an overview of progress under the AWG-LCA. He expressed hope that the outcome of the AWG-LCA in Barcelona

would be a single text, to be translated before Copenhagen. He outlined plans to continue informal consultations on the documentary and legal form of the outcome, emphasizing that these questions become more pressing as the deadline for completing the AWG-LCA's work in December approaches.

**LONG-TERM COOPERATIVE ACTION:** Under this agenda item, country groups made opening statements.

Sudan, for the G-77/CHINA, expressed appreciation of Spain's announcement on financial support. He called for an equitable outcome in Copenhagen and for open, transparent and inclusive negotiations, highlighting the UNFCCC as the only legitimate channel and denouncing all means that would place the Copenhagen outcome "in the hands of a few countries." He opposed weakening the Convention and Protocol, highlighting the impact of climate change on the livelihoods of populations who have contributed the least to the problem, but suffer the most from the adverse effects of climate change. The G-77/CHINA also stressed the need for new, additional, adequate and predictable finance, and for the development and transfer of technology, as well as capacity building. He said Copenhagen should result in agreement on mechanisms under the Convention for the operationalization of the financial mechanism under the authority of the COP, for meeting full costs of concrete adaptation actions of developing countries. The G-77/CHINA also expressed reservation to the list of possible areas of focus identified in the scenario note.

Australia, for the UMBRELLA GROUP, stressed the need to focus on the key operational elements and emphasized commitment to a strong global agreement to avoid dangerous climate change. She announced a new target by Kazakhstan to restrain emissions by 15% by 2020 and by 25% by 2050, and highlighted the importance of measuring, reporting and verification (MRV). She called for sufficient time to discuss how domestic contributions could be captured internationally, highlighted the need to help vulnerable countries to adapt and called for a substantial boost in funding, saying public sector funding catalyzes the "much larger sums" available from the private sector.

Sweden, on behalf of the EU, called for a binding agreement that incorporates the essential elements of the Kyoto Protocol. He highlighted the EU's objective of reducing emissions by 80-95% by 2050 compared to 1990. He also emphasized a need to include the aviation and maritime sectors, calling for a 10% reduction in aviation emissions and a 20% reduction in maritime emissions below 2005 levels by 2020. He said total net mitigation and adaptation costs could amount to €100 billion annually by 2020, requiring an international public sector support of €22-50 billion.

Calling for a strong outcome in Copenhagen, Switzerland, for the ENVIRONMENTAL INTEGRITY GROUP, stressed that it is not acceptable to begin a new roadmap in Copenhagen and said that the non-papers from the Bangkok session provide a good basis for substantive progress in Barcelona.

Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), expressed concern over systematic attempts to lower expectations for Copenhagen and recalled that, according to the mandate agreed in Bali, the AWG-LCA should complete its work in 2009. She said parties should leave Barcelona with a sound basis for a legally-binding agreement at COP 15, which responds to science.

Chair Zammit Cutajar highlighted Copenhagen as the political momentum to be grasped and urged the AWG-LCA to do its part in providing an outcome at COP 15 in Copenhagen.

### AWG-LCA CONTACT GROUPS

**ADAPTATION:** In the afternoon meeting of the contact group on adaptation, Co-Chair Kolly explained that the goal for the Barcelona session was to prepare a concise and manageable negotiating text, which can be considered by capitals in the run up to Copenhagen. He then identified priority questions to be addressed in the adaptation chapter and proposed that parties conduct discussions section-by-section.

SAUDI ARABIA stressed that priority questions should be identified by parties, not by the Secretariat, and expressed concern with new non-paper No. 31. He also objected to conducting a section-by-section discussion, stressing that it was time for more detailed, paragraph-by-paragraph discussions.

The US welcomed the list of priority questions as helpful to focus discussions on the issues listed in the Chair's scenario note, but said some questions are missing from the list. COLOMBIA supported working section-by-section and said that depending on time, line-by-line or paragraph-by-paragraph discussions could also be conducted. The Cook Islands, for AOSIS, expressed a willingness to work based on the non-paper, but noted that there were issues missing from it. SOUTH AFRICA called for focusing on the Convention's enhanced implementation and said that the Copenhagen outcome should provide a clear and grounded scope for implementation of adaptation actions. NORWAY welcomed the Chair's proposed organization of work, and with the EU, supported focusing on essential issues for Copenhagen.

**TECHNOLOGY:** Co-Chair Kumarsingh proposed a final discussion on non-paper No. 29 and transposing the non-paper into a negotiable text. The Philippines, for the G-77/CHINA, supported by AUSTRALIA, called for discussion of objectives and scope. CANADA called for a concise outcome that includes objectives, delineation of national and international cooperative action, and institutional and financing arrangements, as key elements.

UGANDA, the G-77/CHINA, ARGENTINA and several other developing countries called for focus on actions that will lead to the development and transfer of adaptation technologies. COLOMBIA and BRAZIL emphasized the need for a country-driven approach.

NORWAY highlighted, *inter alia*, the need for agreement on an international action plan on technology as a strategic basis for work, as well as the role of financing for technology in relation to the overall financing architecture for mitigation and adaptation.

The EU highlighted key elements for consideration, including: technology to enable mitigation and adaptation; a technology action framework; institutional arrangements for the framework comprising a technology panel or committee; and technology action plans, which the panel or committee could develop. The US clarified that their proposed climate technology hub is designed to transfer technology and enhance the Convention's implementation.

**MITIGATION:** During the afternoon meeting of the contact group on mitigation, Chair Zammit Cutajar introduced Magdalena Preve (Uruguay) as the new facilitator for the sub-group on sub-paragraph 1(b)(iv) of the BAP on sectoral approaches.

Facilitators then outlined plans for the organization of work by the six mitigation sub-groups. Facilitator Adrian Macey (New Zealand) suggested structuring discussions on mitigation by developed countries under sub-paragraph 1(b)(i) of the BAP into two clusters: how to define a collective reduction goal for developed countries and how to apply elements of the Kyoto Protocol *mutatis mutandis*, in particular on compliance and carbon markets.

Facilitator Margaret Mukahanana-Sangarwe (Zimbabwe) explained that the sub-group on sub-paragraph 1(b)(ii) of the BAP on mitigation by developing countries would start with discussions on definitions and scope of NAMAs.

Facilitator Tony La Viña (the Philippines) recalled progress made by the sub-group on sub-paragraph 1(b)(iii) of the BAP on reducing emissions from deforestation and forest degradation in developing countries and conservation (REDD-plus) in Bangkok and suggested informal consultations to prepare a new non-paper by Thursday.

On sectoral approaches under sub-paragraph 1(b)(iv) of the BAP, Facilitator Preve highlighted non-paper No. 17 as a basis for discussions.

On various approaches to enhance the cost-effectiveness of mitigation actions, including markets, under sub-paragraph 1(b)(v) of the BAP, Facilitator Socorro Flores (Mexico) said her intention was to start with issues that were not discussed in Bangkok, such as non-market approaches, and then identify issues that should be included in an agreed outcome in Copenhagen.

On response measures under sub-paragraph 1(b)(vi) of the BAP, Facilitator Richard Muyungi (Tanzania) noted that non-paper No. 32 identifies the most important issues but also contains many brackets. He suggested focusing discussions on institutional arrangements.

On the general material on mitigation, Chair Zammit Cutajar explained that he would direct parties' attention to proposals for frameworks for mitigation action. Noting that the core of the discussion is a search for credible transparency of the information provided by parties, he suggested looking into the Convention's relevant provisions on communicating information related to implementation.

Brazil, for the G-77/CHINA, supported by SOUTH AFRICA, CHINA and SAUDI ARABIA, expressed concern with the compatibility of proposals on common mitigation frameworks with the Convention and the BAP. They also expressed concern with selectively considering only certain Convention articles. The US underlined that their interpretation of the Convention and the BAP is different but legitimate. He suggested that the problem may not be the substance of mitigation issues but their placement, and proposed articulating areas of disagreement and communicating them to ministers for discussion in Copenhagen. CANADA supported discussing areas of disagreement.

INDIA stressed that the problem was not only a matter of different interpretations, and suggested deleting proposals inconsistent with the Convention, with the G-77/CHINA noting that the proposals on common mitigation frameworks create difficulties for progress in other areas.

AWG-LCA Chair Zammit Cutajar proposed that the six sub-groups would consult informally and report back to the mitigation contact group at the end of the week. TUVVALU proposed allowing non-parties into informal consultations on REDD-plus, and AWG-LCA Chair Zammit Cutajar responded that negotiations are carried out by parties, and NGOs would be briefed on progress.

**FINANCE:** During the afternoon meeting of the contact group, JAPAN highlighted their proposal under institutional arrangements for three funds: a climate change fund to finance implementation of mitigation and adaptation activities, programmes and measures; an adaptation fund to finance adaptation projects and programmes in the most vulnerable developing countries; and a green enabling environmental fund for financing enabling environments and capacity building activities, including the preparation of greenhouse gas inventories, national communications and national action plans on mitigation, national adaptation programmes of action and enabling activities for REDD-plus.

The EU highlighted developments since Bangkok. On the ambition level, he observed that the annual total net incremental cost of adaptation and mitigation would amount to €100 billion by 2020 with €22-50 billion coming from public sources. He emphasized the need to mobilize larger private investment flows, domestic finance and the carbon markets. He said all countries except the LDCs should contribute to international public financing based on emission levels and gross domestic product (GDP), and that assessed contributions would be the core of this element. He noted the need for a high-level forum or body to provide an overview of international distribution of financial flows. INDIA stressed that the Convention and the BAP do not provide for assessed contributions from all parties.

The US clarified aspects of their proposal for a "matching function," which would advise developing countries seeking support for mitigation and adaptation actions in order to help them "navigate the terrain of multiple funding providers." He emphasized that the function would be voluntary.

The Philippines, for the G-77/CHINA, supported by Barbados, for AOSIS, and others, said that facilitating and matching mechanisms did not provide financing. AOSIS cautioned that matching or coordinating mechanisms would add another layer of bureaucracy and said the issues related to problems of access and the insufficiency of financial resources. Co-Chair Khan proposed informal group sessions to consider: governance of funds and funding mechanisms; and coordination and coherence of support.

#### **AWG-KP**

**ORGANIZATIONAL MATTERS:** AWG-KP Chair John Ashe (Antigua and Barbuda) opened the resumed ninth session of the AWG-KP and welcomed Iraq's recent ratification of the Protocol. He encouraged parties to conclude as many issues as possible in Barcelona, such as concluding on the means available to Annex I parties to meet their emission reduction commitments, together with relevant decisions. Chair Ashe also explained that the Chair's documentation to facilitate

negotiations would need to be converted into formal negotiating text at some point, and said he would consult with parties on how to achieve this.

Chair Ashe then noted the agenda and organization of work (FCCC/KP/AWG/2009/11 and Add.1), saying that the four contact groups established in Bangkok would continue, on: Annex I emission reductions, co-chaired by Leon Charles (Grenada) and Gertraud Wollansky (Austria); other issues, chaired by AWG-KP Vice-Chair Harald Dovland (Norway); potential consequences, co-chaired by Mama Konaté (Mali) and Andrew Ure (Australia); and legal matters, co-chaired by Gerhard Loibl (Austria) and by a co-chair to be identified. Chair Ashe urged the contact groups to focus on what can be concluded here in Barcelona, in order to reduce the load that will be carried on to Copenhagen.

**OPENING STATEMENTS:** Sudan, for the G-77/CHINA, expressed concern about calls by Annex I parties to end the Kyoto Protocol in favor of a single agreement in Copenhagen. He highlighted the need to make progress in defining Annex I parties' individual and aggregate quantified emission limitation and reduction objectives (QELROs).

Sweden, for the EU, stressed that a new agreement should build on the Kyoto Protocol. He reiterated the EU's willingness to reduce emissions by 30% from 1990 levels by 2020 as part of a global agreement, provided other countries take comparable commitments. He noted support expressed by the EU leaders for 80-95% emission reductions by 2050 from 1990 levels, and called on other developed countries to adopt the same goal.

The Gambia, for the AFRICAN GROUP, called for focusing on the core elements of the AWG-KP's mandate on Annex I parties' aggregate and individual QELROs. He said the Group would not accept scheduling of other contact group meetings under the AWG-KP until the work on numbers is completed.

Australia, for the UMBRELLA GROUP, noted the imperative for accelerating progress under the AWG-KP and the need for focusing on efficient institutions and robust carbon markets.

Grenada, for AOSIS, called for a clear signal that the Protocol is "not dead." She underscored the need for the Barcelona session to restore credibility and confidence in the will of the international community to tackle climate change and for the work of the AWG-KP to be brought in line with its work programme in order to make progress.

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

**ANNEX I EMISSION REDUCTIONS:** During the first meeting of the contact group on Annex I emission reductions, the Secretariat introduced a new version of the paper compiling information on possible QELROs as submitted by parties. Some parties then asked for clarifications on the paper.

Co-Chair Charles invited parties to discuss how to determine the level of ambition for Annex I emission reductions, noting support for both top-down and bottom-up approaches. SOUTH AFRICA identified two possible questions, namely: the rate at which emissions should decline beyond 2020 to achieve the scale of emission reductions required by science; and the criteria to be used to allocate the Annex I aggregate target. The EU highlighted its experience with a top-down approach, which

looks at science for defining the scale of necessary emission reductions, and then works bottom up to identify how emissions could be reduced and through which sectors.

**POTENTIAL CONSEQUENCES:** The Gambia, on behalf of the AFRICAN GROUP, supported by ALGERIA, EGYPT, BOLIVIA and VENEZUELA called for all contact groups under the AWG-KP to be suspended until conclusion of work by the contact group on Annex I emission reductions. The EU expressed regret with the African Group's proposal, highlighting that it is not realistic for one contact group to work faster than another. Co-Chair Ure suspended the meeting until further notice.

#### **IN THE CORRIDORS**

As delegates filled the vast halls of the Fira de Gran Via on Monday to begin the final week of negotiations before Copenhagen, many felt as if they had just left the previous round of discussions in Bangkok. As one delegate put it, the three-week intersessional period seemed like "a long working weekend."

Expectations of progress in Barcelona, as well as in Copenhagen, varied. While many seemed resigned to the fact that a lot of work would have to be pushed beyond Copenhagen, others were angry at what they saw as attempts to lower expectations and the level of ambition.

Mixed feelings were also expressed on how the work should proceed in Barcelona. While many delegates expressed hope that meetings would go straight to informals to finally begin "real negotiations" and facilitate development of text and clear options for Copenhagen, some delegates continued to highlight the need for contact groups. One stressed that "a Copenhagen agreement needs to be developed in the light of day." This sentiment was shared by some NGO representatives: "If they spend the meeting in informals from Tuesday onwards, I will have nothing to do for the rest of the week," commented one.

In the afternoon, many delegates found their schedule to be much lighter than expected: suspension of the contact groups and informal consultations scheduled under the AWG-KP at the request of the African Group took many developed and developing countries by surprise. The African Group insisted that the contact group on "numbers" conclude its work before the other groups proceed. According to rumors circulating in the corridors, informal consultations held in the afternoon did not resolve the issue. Reactions to this development were mixed. According to a developing country delegate, the cancellation of informal groups should not have been necessary and was not a good start to the meeting. Many developed country delegates in particular saw the move as a "poor tactic" and speculated on motivations behind it. Others, however, supported the position, calling it "necessary and quite timely," and a developing country delegate said, "this demonstrates that if no agreement is reached in Copenhagen, it is because Annex I countries have refused to make necessary commitments." One veteran commented: "I thought I knew this process, but this just shows that unexpected things can happen - I hope this also applies to unexpectedly good progress in Copenhagen."