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AWG-LCA 7 AND AWG-KP 9 HIGHLIGHTS: WEDNESDAY, 4 NOVEMBER 2009

Throughout the day, informal consultations took place under the AWG-LCA on issues including a shared vision for long-term cooperative action, adaptation, mitigation, finance and technology. Under the AWG-KP, contact groups and informal consultations convened on Annex I emission reductions, other issues and potential consequences.

AWG-LCA

SHARED VISION: During informal consultations on a shared vision, parties focused on a long-term global goal for emission reductions and review of a shared vision. Several countries envisaged a long-term global goal in terms of stabilization of greenhouse gas concentrations, limitation of temperature increase and quantified emission reductions. Several parties also underlined peaking times and a basis in science as assessed by the IPCC. Several countries stressed that a long-term global goal covers all building blocks. Numbers proposed by parties for each element of a shared vision varied. On review, parties discussed a review mechanism and timing of the review. Informal consultations will continue.

ADAPTATION: During the morning informal session, parties considered sections in non-paper No. 31 on: implementation of adaptation to climate change; means of implementation; and risk management and risk reduction strategies.

Under implementation, several parties proposed the deletion of reference to response measures. Several parties said that the means of implementation should be considered by the finance group, while some others preferred to maintain its consideration under the adaptation group. Several parties opposed reference to parties with economies in transition under activities to be supported by means of implementation. Informal consultations will continue.

MITIGATION (sub-paragraph 1(b)(i) of the BAP): In the morning informal consultations on mitigation by developed countries, parties focused on various sections of non-paper No. 25 and discussed issues, including references to the Protocol, national circumstances, comparability of efforts and MRV. Parties continued discussions in bilateral consultations in the afternoon.

MITIGATION (sub-paragraph 1(b)(ii) of the BAP): In the morning informal consultations on mitigation by developing countries, parties discussed the role and functions of a NAMA registry.

MITIGATION (sub-paragraph 1(b)(iii) of the BAP): Informal consultations on REDD+ convened in the morning for an exchange of views on the phased approach and means of implementation, and in the afternoon for discussions on MRV.

MITIGATION (sub-paragraph 1(b)(iv) of the BAP): During informal consultations on sectoral approaches, parties considered how to proceed with text on bunker fuels. They exchanged views on options for consolidating text and accommodating proposals from parties. They also discussed how the text enhances the Convention's implementation and the role of the International Maritime Organization and the International Civil Aviation Organization. Informal consultations will continue.

MITIGATION (sub-paragraph 1(b)(v) of the BAP): Informal consultations on various approaches to enhance the cost-effectiveness of, and to promote, mitigation actions, focused on market-based approaches.

Parties addressed, *inter alia*: the importance of public and private funding; the role of markets in mitigation actions; environmental integrity and new mechanisms; striking a balance between market and non-market-based approaches; and the relationship between the Protocol's flexibility mechanisms and the proposed new mechanisms. Informal consultations will continue.

TECHNOLOGY: Informal consultations on technology took place in the morning and afternoon. Parties completed their initial consideration of the revised non-paper No. 36, expressing their views and suggestions for improving the text. They were also encouraged to submit textual proposals for negotiable language.

FINANCE: Informal consultations on finance took place in the morning and afternoon. Parties considered new textual proposals from a small drafting group aimed at consolidating proposals on: strengthening or operationalizing the financial mechanism; the establishment of funds; the operating entity of the financial mechanism; and the governance structure of the operating entity. Parties also reacted to reformulated text on making efficient and effective use of current institutions and other channels in accordance with Convention Article 11.5 (provision of finance to developing countries through bilateral, regional and other multilateral channels). Text consolidating

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options on a facilitative platform and matching function, prepared by a small drafting group was also presented. Informal consultations will continue.

AWG-KP

ANNEX I EMISSION REDUCTIONS: Parties convened in two informal meetings on Annex I emission reductions. In the morning, some Annex I parties presented on their targets and responded to questions on the contributions of offsets, implications of LULUCF rules, base years and aviation emissions. In the afternoon, parties continued discussions aimed at improving the transparency of Annex I parties' pledges. Annex I parties continued to explain the basis of their targets, including the proportion to be achieved through LULUCF, offsets and domestic actions, and also responded to questions and comments by other parties.

OTHER ISSUES: During the contact group, Vice-Chair Dovland reminded parties that the aim is to clean up the text in Barcelona to have clear options for ministers to choose from in Copenhagen. He urged parties to work together to remove brackets from the text. Vice-Chair Dovland then outlined the status of work on the basket of methodological issues, including common metrics, the IPCC 2006 Guidelines for National Greenhouse Gas Inventories and new greenhouse gases, and proposed how to organize the work of the session, noting the lack of time to deal with all three issues in Barcelona.

On new greenhouse gases, he noted that there are three options on the table, as well as additional proposals for amendments to the Protocol, and proposed returning to this issue in Copenhagen. On the IPCC 2006 Guidelines, he highlighted "good discussions" in Bangkok and suggested finalizing the issue in Copenhagen. He suggested prioritizing common metrics. Parties agreed to establish a drafting group to work on the common metrics text, facilitated by New Zealand.

Vice-Chair Dovland then invited parties to turn to the flexibility mechanisms. He introduced annex I of document FCCC/KP/AWG/2009/10/Add.3/Rev.2, which contains proposed elements of draft COP/MOP decisions on the flexibility mechanisms. He noted that the spin-off group on LULUCF was working on the text relating to LULUCF under the CDM, and said this group would await input from those discussions. On including carbon capture and storage (CCS) under the CDM, Vice-Chair Dovland noted that although the final decisions would need to be taken by ministers in Copenhagen, it was still possible to clean up the text. He highlighted plans to establish a small drafting group in Copenhagen at the first opportunity. Regarding inclusion of nuclear activities under the CDM, he said the contact group was unlikely to be able to resolve this issue and it would have to be taken up in Copenhagen. In relation to crediting on the basis of NAMAs, Vice-Chair Dovland proposed the consideration of this issue after further development under the AWG-LCA. Parties then commenced discussion of the section on the development of standardized, multi-project baselines under the CDM. Parties went through the text paragraph-by-paragraph, attempting to remove the brackets by proposing alternative language. Informal consultations will continue.

OTHER ISSUES (LULUCF): In informal consultations on LULUCF, parties discussed option B on land-based accounting, with many parties saying that while land-based accounting could be considered in the future, negotiating it now would delay the process of defining the "numbers." A new non-paper was also introduced by the co-facilitators, as well as a table for parties to complete on a voluntary basis to facilitate discussions and understanding of the impacts of reference levels. Parties highlighted that while the non-paper is useful for discussion, it has not been negotiated. Informal consultations will continue.

POTENTIAL CONSEQUENCES: During the contact group meeting, parties continued a paragraph-by-paragraph discussion of document FCCC/KP/AWG/2009/12/Rev.1, with the aim of further streamlining text and consolidating options. Parties considered the outstanding paragraphs and concluded the first reading of the text, going through each paragraph and deleting or merging options. On paragraph 7, the EU, opposed by South Africa, for the G-77/CHINA, proposed replacing reference to "the assessment of consequences of tools, policies, measures and methodologies available to Annex I Parties" with "the assessment of consequences of mitigation actions taken by Parties." Both options remain in the text.

Regarding the need for a channel for communicating impacts and consequences of policies and measures in paragraph 14, NEW ZEALAND, supported by the EU and opposed by the G-77/CHINA, identified national communications as the appropriate channel for such reporting. She proposed replacing "the need for a channel" with "the existence of a channel" and also suggested, supported by TURKEY and others, replacing reference to non-Annex I parties with reference to parties, highlighting that all parties, not just non-Annex I parties, could suffer from impacts and consequences of response measures.

IN THE CORRIDORS

The plethora of meetings continued unabated on Wednesday, as the AWG-KP swung into action after Tuesday evening's plenary session and the AWG-LCA continued to convene in numerous informal meetings. Many delegations tried to stretch themselves to attend parallel meetings. Mood on progress was not very upbeat, with many saying that discussions were repetitive and countries were not engaging in finding commonalities in their proposals. Others were a bit more positive however, noting some progress, albeit uneven, especially across various issues under the AWG-LCA.

Prospects for Copenhagen and the form of the outcome continued to be popular topics in the corridors. Some delegates explained that they were "depressed" by the view that a legally-binding outcome in Copenhagen is no longer possible. Some were wondering whether "a complete failure" in Copenhagen would be preferable if a legally-binding outcome was not achievable. There were also rumors that some parties had lowered their expectations to the extent that they were considering trimming down the size of their delegations for COP 15. "There will not be a total failure, however," said one veteran: "In the worst case scenario, we'll come up with something wishy-washy." Others speculated whether, how and when a non-binding outcome from Copenhagen could be turned into something legally binding. Some, however, were still determined to fight: "The political momentum generated for Copenhagen is too important to let go - we simply must seize it and succeed by creating a meaningful outcome."