

COPENHAGEN HIGHLIGHTS: TUESDAY, 15 DECEMBER 2009

On Tuesday evening, the welcoming ceremony of the high-level segment took place. Late in the evening, the AWG-KP closing plenary convened. The AWG-LCA held its closing meeting early on Wednesday morning. Throughout the day on Tuesday, contact groups and informal consultations were held on a range of issues, including potential consequences and other issues under the AWG-KP, long-term cooperative action under the AWG-LCA and the Adaptation Fund Board under the COP/MOP.

HIGH-LEVEL SEGMENT WELCOMING CEREMONY

Lars Løkke Rasmussen, Prime Minister of Denmark, said the presence of so many distinguished guests shows promise for an ambitious, fair and effective climate deal. He noted that “the world is literally holding its breath” and called on world leaders to translate the current political momentum into “a decisive moment of change.” He invited all world leaders to adopt a deal that will affect all aspects of society and includes decisions under both tracks.

UN Secretary-General Ban Ki-moon noted the long road to this “defining moment” and said that “we are here today to write a different future.” He called for a fair, ambitious and comprehensive agreement, specifying that this means: more ambitious mid-term mitigation targets from industrialized countries; more action by developing countries to limit emissions growth below “business as usual;” an adaptation framework for all countries; financing and technology support; and transparent and equitable governance. He stressed financing as a key, welcoming the emerging consensus among developed countries to provide approximately US\$10 billion annually for the next three years to the Copenhagen Launch Fund. UN Secretary-General Ban Ki-moon underlined that the goal is to lay the foundation for a legally-binding climate treaty as early as possible in 2010, and said that until such an agreement is reached “the Kyoto Protocol remains the only legally-binding instrument that captures reduction commitments” and that “as such it must be maintained.”

Highlighting the potential for failure if parties keep repeating positions and slowing progress with formalities, COP President Hedegaard identified “compromise” as the key word for the

coming days. She called on countries to take big steps and commit to delivering a deal, reminding delegates that “we are accountable for what we do, but also for what we fail to do.”

UNFCCC Executive Secretary Yvo de Boer noted that Tuesday was the second anniversary of the adoption of the Bali Roadmap and stressed that “now it is time to deliver.” He said there had been some progress but “not nearly enough to celebrate success.” He noted that groundwork has been laid for prompt implementation of action on mitigation, adaptation, technology cooperation, finance, REDD and capacity building. Highlighting that 115 world leaders are not coming to Copenhagen to leave “empty handed,” he called on parties to resolve outstanding issues.

His Royal Highness Charles, the Prince of Wales, stressed that “a partial solution to climate change is no solution at all.” He underscored the benefit of partnerships between government, business, NGOs and civil society, and said the quickest and most cost-effective way to address climate change is to protect tropical forests.

Wangari Maathai, Nobel Peace Laureate and UN Messenger of Peace, noted that no conference ends with “a perfect document” and stressed the need to find common ground based on fairness, honesty, transparency and responsibility. She called on delegates to overcome “a legacy of mistrust,” highlighting the need for a Copenhagen agreement to provide a governance structure based on accountability between donors and beneficiaries.

AWG-LCA

LONG-TERM COOPERATIVE ACTION: The AWG-LCA closing plenary convened at 4:45 am on Wednesday morning.

Chair Zammit Cutajar explained that the AWG-LCA’s work is envisaged as “package” and was being presented as a “core COP decision” and series of thematic decisions (FCCC/AWG/LCA/2009/L.7&Add.1-9). He stressed that this is without prejudice to the legal form of the outcome and that “nothing is agreed until everything is agreed.” He highlighted that the objective is to transmit the texts to the COP plenary.

Chair Zammit Cutajar identified the “core decision” (FCCC/AWG/LCA/2009/L.7) as some of the “less mature elements” of the package. He explained that a preambular paragraph had been added during the day on special circumstances by countries with economies in transition.

He said no input had been provided from informal ministerial consultations to those parts of the “core COP decision” where placeholders had been inserted and that paragraphs from the earlier version had therefore been reinserted. Chair Zammit Cutajar said he had attempted to indicate areas of disagreement by bracketing parts of the text but that these indications of divergence were “not sufficient” and consultations had therefore taken place in the past few hours on this issue. He then invited the US to indicate how their views might be better reflected.

On developed country mitigation, the US requested bracketing numbers referring to aggregate range of emission reductions, and for inserting a bracketed option “x” and a footnote explaining that “x is equal to the sum of the reductions by parties.” The US stressed the need for a structure that is “very different” from the Kyoto Protocol, based on a bottom-up structure and actions implemented domestically. On developing country mitigation, the US proposed bracketing the entire section and inserting words “option 1.” He called for inserting “option 2” consisting of “alternatives suggested by parties,” and highlighted that this gives a “clear sense of different ways to think about this problem” and the need for “fundamental revisions.”

ALGERIA requested going through all the decisions included in the package one-by-one. Many parties then expressed their concern with the texts and provided detailed proposals for changes, focusing first on document FCCC/AWGLCA/2009/L7. Sudan, for the G-77/CHINA, suggested bracketing text in the section on finance, in particular with regard to developed country pledges for short-term financing. Bangladesh, for LDCs, with the UNITED REPUBLIC OF TANZANIA and the Cook Islands, for AOSIS, proposed a reference to special concerns of LDCs, SIDS and African countries in the text on adaptation. NORWAY and MEXICO noted that their proposals on financing arrangements should be reflected in full. BOLIVIA noted, *inter alia*, her country’s textual proposals on a shared vision and indigenous peoples. JAPAN noted “strong concerns” on, *inter alia*, mitigation and legal outcome. The EU stressed the need to convey their concerns to the COP President on issues including on a legally binding outcome and mitigation.

Chair Zammit Cutajar stressed that parties would have the opportunity to continue discussions under the COP and pleaded them to agree to send the texts forward. After parties continued providing detailed proposals for changing the text, he indicated that so many changes had been suggested that it would not be possible to reproduce the texts on time for the COP plenary. BRAZIL stressed the need for having text forwarded to the COP and COSTA RICA expressed willingness to start negotiations at “another level.”

At 6:30 am, Chair Zammit Cutajar proposed, and parties agreed, to adopt the entire package as “unfinished business” and then giving parties the opportunity to express their reservations.

REPORT OF THE SESSION: Parties adopted the report of the session (FCCC/AWGLA/2009/L.6). Many parties thanked the Chair for his hard work. Chair Zammit Cutajar closed the session at 6:50 am.

AWG-KP

ANNEX I FURTHER COMMITMENTS: In the evening, the AWG-KP plenary convened to take stock of progress achieved so far. Chair Ashe explained that after the plenary, he

would convene a contact group to consider the AWG-KP’s report to the COP/MOP.

Co-Chair Wollansky reported on the work of the group on Annex I emission reductions, noting that although the group had been unable to resolve many issues, it had narrowed options on issues such as the length and number of commitment periods, and also discussed issues relevant for environmental integrity of Annex I parties’ pledges.

Vice-Chair Dovland reported on the work of the “other issues” group. On the basket of methodological issues, he noted agreement on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, cleaner text on common metrics, but lack of agreement on including new greenhouse gases. On the flexibility mechanisms, he reported inability to clean up all the text.

Co-Facilitator Smith reported on the work of the LULUCF spin-off group, stating that the group had reached a point requiring key political decisions to be made.

On the contact group on potential consequences, Co-Chair Ure identified three remaining areas of disagreement: defining countries for whom potential consequences will be most severe; guidelines for reporting; and establishing a permanent forum, using the Compliance Committee and/or national communications to address potential consequences.

INDIA drew attention to “substantial differences” remaining and “large quantities” of bracketed text, saying this shows that the AWG-KP track has fallen behind. He noted that the text is in “no shape” to go before the Ministers. SWITZERLAND noted lack of clarity on the way forward and emphasized the importance of clear management of the process by its leaders. ALGERIA questioned the transparency of the process.

Chair Ashe noted that the drafting process was party-driven and that he would report the concerns to the COP President.

AWG-KP’S REPORT TO THE COP/MOP: Late in the evening, a contact group chaired by Chair Ashe convened to discuss the AWG-KP’s report to the COP/MOP.

South Africa, for the G-77/CHINA, suggested that parties continue to work on the text for an additional day, concurrent with ministerial meetings. Several developed countries requested clarification on what would be addressed and noted that the text as it stands could use additional work. However, they expressed concern that such a request prejudged the decision of the COP/MOP President on how to proceed and noted the complexities entailed at this point in combining technical and political processes. Parties suggested that Chair Ashe should report to the COP/MOP plenary that the text could benefit from more technical work and that the decision rests with the COP/MOP to either allow the AWG-KP more time to work on the text or to outline another way forward.

The issue was then considered in the AWG-KP closing plenary. Chair Ashe briefly outlined his consultations on the issue. He noted agreement to annex the draft texts, reflecting the latest discussions, to the report of the session and forward them to the COP/MOP. Parties also agreed that the draft text would benefit from additional work on the unresolved issues and decided to recommend to the COP/MOP that consideration be given on how to proceed with further consideration of the draft text.

REPORT OF THE SESSION: Parties adopted the report of the session (FCCC/KP/AWG/2009/L.14). South Africa, for the G-77/CHINA, highlighted that the text would benefit from further technical work and that some core issues in the AWG-KP will require consultations at the political level.

Chair Ashe closed the plenary at 12:07 am.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

LONG-TERM COOPERATIVE ACTION (AWG-LCA):

During a stocktaking meeting of the contact group on long-term cooperative action in the morning, Chair Zammit Cutajar presented a set of texts, including a new version of the draft “core COP decision,” as well as thematic draft decisions on adaptation, finance, technology and capacity building. He also introduced several thematic draft texts on mitigation, including: a mechanism for nationally appropriate mitigation actions (NAMAs); REDD-plus; economic and social consequences of response measures; various approaches to enhance the cost-effectiveness of mitigation; and sectoral approaches and sector-specific actions in agriculture.

Chair Zammit Cutajar explained that the draft core COP decision’s preamble and first paragraphs reflect a shared vision and that there is no separate text on a shared vision. Chair Zammit Cutajar also outlined the areas taken up through informal ministerial consultations, including: a long-term global goal for emission reductions; mitigation by developed countries; developing country NAMAs; trade issues and international aviation and maritime bunker fuels; and several issues relating to finance, including sources and scale of funding, MRV of support, and pledges from developed countries to provide funds. Chair Zammit Cutajar then briefly explained the core decision text and the thematic texts.

Co-Facilitator Uosukainen introduced the co-facilitators’ new text on finance. He said the text attempts to capture the essence of the discussions on financial institutions, noting text on a possible high-level finance committee to assist the COP and a climate fund or facility.

Chair Zammit Cutajar suggested postponing substantive discussion of the texts to informal consultations in the afternoon. TURKEY stressed the need to reflect interests of developed countries with special national circumstances. Sudan, for the G-77/CHINA, inquired whether there would be an opportunity for the group to consider guidance from the informal high-level ministerial consultations. Chair Zammit Cutajar explained that any political guidance from the ministerial consultations would be shared.

BANGLADESH called for mention of special treatment of LDCs and SIDS as set out under the Convention and BAP. He said that a Copenhagen outcome should also include an international adaptation center, regional centers and an adaptation window under the Convention. SINGAPORE said that the text contained proposals that were not acceptable to his delegation.

The EU questioned why a timeframe for concluding a legally-binding agreement had been omitted from the text, stressing that while immediate action must be taken, the intention is not to establish “piecemeal mechanisms here and there” but to frame the institutions and the post-2012 architecture in a legally-binding instrument as soon as possible in 2010. Chair Zammit Cutajar noted the importance of considering timelines for further work. The EU, with AUSTRALIA, also stressed the need to have text on market approaches, identifying new market mechanisms

as a “core issue.” Chair Zammit Cutajar explained that such text had been left out due to an intended informal ministerial consultation, but that it would be included.

BARBADOS lamented the “unequal way” of dealing with controversial issues, noting that the text contained reference to response measures while no references to LDCs and SIDS were included. He also stressed the importance of a global long-term goal for emission reductions and greenhouse gas concentration stabilization levels being discussed at the ministerial level. He noted his intention to take up the question of legal form of the outcome in plenary.

BELARUS and the RUSSIAN FEDERATION stressed the need to incorporate text reflecting the special national circumstances of Annex I countries with economies in transition, with the RUSSIAN FEDERATION adding that the issue must be addressed before forwarding the texts to the COP.

Highlighting sub-paragraphs 1(b)(i) and 1(b)(ii) of the BAP on mitigation by developed and developing countries, BRAZIL, supported by CHINA, stressed the need for a balanced consideration of issues. He lamented that ministerial meetings on mitigation by developing countries have been scheduled while no progress has been made on mitigation by developed countries. CHINA underscored that ministerial discussions must be transparent and balanced in terms of the subjects discussed.

VENEZUELA posed questions concerning the relationship between the ministerial consultations on the “most delicate issues” and the AWG-LCA’s text, asking who will produce text on these issues and stressing that, in her view, the COP President would need a mandate from the parties to develop text. Chair Zammit Cutajar said the ministerial informals would produce “political guidance” and not text.

Chair Zammit Cutajar said he would consult parties informally in the afternoon to identify issues where substantive progress could still be made, such as adaptation and hydrofluorocarbons. He recognized that various parties had concerns with the text but noted that “we have had two years and must finish today.” He said he was “disappointed” at the state of the texts and explained that due to the number of outstanding issues, it would not be possible for him to try to clean up the text with parties. Chair Zammit Cutajar said the alternatives were to consult informally in the afternoon on issues where progress could still be made or forward the texts to the COP as they stand. He also reminded parties that they can take up their concerns at the COP plenary.

ADAPTATION FUND BOARD (COP/MOP): In the contact group on the Adaptation Fund Board, the Co-Chairs introduced draft decision text and proposed language on encouraging Annex I countries to increase their contributions to the Adaptation Fund. Parties agreed to forward the draft decision text to the COP/MOP.

POTENTIAL CONSEQUENCES (AWG-KP): In the morning, Co-Chair Ure opened the contact group on potential consequences, noting that since the coordinators of the G-77/China and the EU were unable to attend the meeting, no substantive discussions would be undertaken.

CANADA expressed concern that the “text had become more complicated” and noted reservation at forwarding the text in its current form. Co-Chair Ure said he would inform the AWG-KP Chair of these concerns and forward the text to the AWG-KP stocktaking plenary.

OTHER ISSUES (LULUCF)(AWG-KP): In the final meeting by the spin-off group on LULUCF, parties discussed options concerning text on exploring more complete coverage of land when accounting for anthropogenic sources and sinks.

OTHER ISSUES (FLEXIBILITY MECHANISMS)(AWG-KP): Vice-Chair Dovland introduced a new draft COP/MOP decision on the flexibility mechanisms.

SAUDI ARABIA, supported by KUWAIT, objected to the omission of their proposals on share of proceeds and regional distribution from the new draft text. Vice-Chair Dovland noted that the omission was inadvertent and that the proposals will be reflected in the revised text.

AUSTRALIA, supported by CANADA, proposed moving the preambular text on the mechanisms being supplementary to domestic action to the operative part and then inserting an option maintaining the *status quo*. Grenada, for AOSIS, JAMAICA, PERU and BRAZIL, opposed by NORWAY and SAUDI ARABIA, supported retaining the text in the preamble. NEW ZEALAND proposed inserting alternative language in the preamble, recalling the definition of supplementarity in decision 2/CMP.1 (principles, nature and scope of the flexibility mechanisms). On the supplementarity section of the text, BRAZIL, supported by PERU and opposed by JAPAN and SAUDI ARABIA, proposed specifying a cap of 30% on the use of the flexibility mechanisms.

On improving regional distribution, SAUDI ARABIA reiterated their proposal that the provision exempting SIDS from payment of the registration fee and share of proceeds, as well as that establishing a quota for projects hosted in LDCs, SIDS and African countries, should be extended to all developing countries with fewer than ten registered projects. GRENADA, supported by PERU and the EU, and opposed by UGANDA, preferred deleting the paragraph exempting SIDS from payment of fees and retaining the option permitting postponement of the payment of fees by parties with fewer than ten registered projects, noting that exempting all countries with fewer than ten projects could negatively impact functioning of the CDM Executive Board. JAPAN and CANADA noted the need to specify that the payment would be postponed until the first issuance of Certified Emission Reductions (CERs).

On the paragraph on establishing a quota, CANADA, supported by JAPAN, opposed identifying a specific percentage of CERs to come from countries with fewer than ten CDM projects, and JAPAN preferred language "encouraging parties" rather than "deciding" to use CERs coming from these countries. ETHIOPIA, supported by MALI, noted that the language already reflects compromise and preferred retaining the text as it stands. ETHIOPIA, opposed by many countries, but supported by UGANDA, proposed that this quota should apply to countries that had fewer than ten projects in the first commitment period. NEW ZEALAND proposed having the paragraphs in this section as a menu of options from which ministers could choose one or more paragraphs. Vice-Chair Dovland noted that this was the last meeting of the contact group and that discussions would continue within the context of the report of the AWG-KP to the COP/MOP.

IN THE CORRIDORS

"The most hectic day so far," this was how many participants described the second Tuesday of the Copenhagen Climate Conference. Many delegates arrived in the Bella Center already tired from working until the early hours of the morning. Several drafting groups had continued late into the night on Monday, and some, such as the AWG-LCA finance group, pressed through the night until Tuesday morning. Delegates were, however, again kept busy until well after midnight, as the AWG-KP and AWG-LCA both attempted to conclude their work, decide on what to forward to the COP and COP/MOP as the outcome of their work, and hold their closing plenaries.

During the day, some delegates, who were rushing between contact groups, informal ministerial consultations and informal expert-level consultations, complained that it was "extremely hard" to keep track of what was going on. The COP President's open-ended informal consultations in the afternoon seemed to provide some assistance, as parties heard reports on discussions during the informal ministerial consultations. On finance, for instance, it was reported that the issue of numbers for long-term financing, the scale of contributions and the countries that should contribute continued to cause disagreement. On a long-term emission reduction goal, consultations reportedly centered on issues such as the level of limiting global average temperature increase, whether 1.5 or 2°C. Under developing country mitigation, differences persisted, *inter alia*, on the nature, definition and scope of NAMAs. Ministerials on developed country emission reductions under the AWG-KP reportedly attempted to discuss how to raise the level of ambition of Annex I targets, but well-known differences persisted and not much progress was made.

Outside the Bella Center, long lines continued at the registration counter and observer organizations were trying to get used to managing their numbers through the system of secondary badges. Difficult decisions had to be taken about those whose presence was "very important." "How do I tell the director of my organization that she won't be able to get into the Bella Center for her meetings," asked an NGO representative. Observers were also "extremely concerned" about what they described as lack of transparency at a crucial point in the negotiations.

During the day, the atmosphere in the negotiations was sometimes described as tense and delegates appeared frustrated, not least due to the amount of complex issues still on the table, persisting fundamental differences among countries and the rapidly-approaching deadline. While the AWG-KP was able to close its tenth session just after midnight, the AWG-LCA closing plenary was postponed until early morning, as some parties had "major problems" with forwarding the proposed texts to the COP. "I cannot believe that we haven't even opened the plenary yet," sighed one negotiator at around 4:00 am: "This is not looking good." Many of those fearing failure were, however, relying on words by the UN Secretary-General at his press conference earlier in the evening: "We are here to succeed, not fail. The overwhelming response by world leaders to attend this conference is unprecedented and shows that there is political will and commitment to succeed."