

FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat

CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES - Secrétariat

MEMORANDUM

TO: The Secretary-General
Date: 9 October 2009
Reference: YdB/HW/KNS/kp
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THROUGH: Mr. Sha Zukang
Under-Secretary-General, DESA

FROM: Yvo de Boer
Executive Secretary

SUBJECT: **Report on AWG Sessions, Bangkok, 28 September - 9 October 2009**

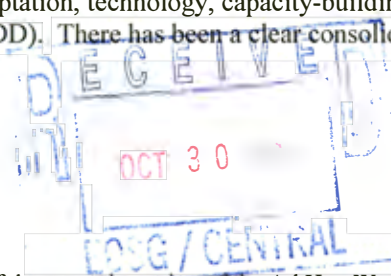
Today, the fourth climate change negotiating session of 2009¹ closed after two weeks of constructive negotiations here in Bangkok. There are signs that the process has been re-energized. Negotiators came with a strong desire to make progress, and this produced an honest debate. This positive atmosphere may be attributed to the mobilization through your Summit.

While there was no progress on the key political issues, mitigation ambition and scale of finance, progress has been made on the institutional architecture, with a much clearer mapping out of options for institutional arrangements. The session advanced consideration of the architecture that is necessary to make a Copenhagen agreement work in practice. It is possible that this work may be completed in time for Copenhagen, however if resolution is not reached on emission reduction targets and on finance, it will be an empty architecture which would not be helpful in reaching agreement in Copenhagen.

Although the mood of the session was generally positive, there were a few issues which created tension. The G-77 and China was very upset when some industrialized countries clearly stated that they wanted to see an end to the Kyoto Protocol. The perceived attempt by the US, with support from Australia, to remove the differentiation between developed and developing country mitigation efforts increased the tension, since it was seen as a violation of the spirit of the Bali Action Plan. Under the finance discussion, some of the key questions, such as whether developing countries should also contribute and the role of public versus private funding, remain contentious. Nevertheless, developing countries showed a willingness to engage.

Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA)

In the AWG-LCA, progress has been made on adaptation, technology, capacity-building and reducing emissions from deforestation in developing countries (REDD). There has been a clear consolidation of the negotiating texts and a narrowing down of options.



¹ The fourth negotiating session of 2009 included the first part of the seventh session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and the first part of the ninth session of the Ad Hoc Working Group on Further Commitments of Annex I Parties to the Kyoto Protocol



Adaptation

On adaptation, there is now a better delineation of classes of action and activities that need to be taken. In addition, there is also a clarification of levels and time-scales for adaptation action. Parties are moving away from prescriptive lists, toward country-driven approaches.

Technology

On technology, Parties concurred on the need for an effective institutional arrangement for technology with executive, advisory and operational functions to accelerate the development and transfer of technology. Parties have begun to identify possible activities eligible for financial support. There was an agreement in principle on a need for an incentive mechanism for technology transfer and strong interest in discussing further the details of the mechanism. There was almost unanimous agreement on the need for cooperative action and support for research, development and demonstration on a North-South, South-South and triangular basis.

Capacity-Building

On capacity-building, Parties reached a broad understanding that the Copenhagen agreed outcome has to include provisions to ensure full and enhanced implementation of the framework for capacity-building in developing countries and adequate support to address new and emerging needs to strengthen capacity in developing countries.

Reducing Emissions from Deforestation in Developing Countries (REDD)

On REDD, while disagreement remains on issues relating to the implementation of "REDD plus" activities, such as financing, scope, MRV and links with NAMAs, there appears to be common understanding among Parties that it is essential to identify and focus on the key elements that must be included in a Copenhagen agreement. Parties had deeper exchanges of views on the necessary principles for "REDD plus". While there are still differences in views on the text and concepts shaping the principles, there seems to be a common understanding on the necessary elements of principles.

Mitigation

On mitigation, discussions resulted in some consolidation and clarification of negotiating text, but no real bridging of positions. The proposal on schedules by Australia was not met with support from developing countries, that see this as a watering down of the legal nature of commitments by developed countries and as an attempt to use this to place developing countries into the same category. The request by the United States to discuss the measurement, reporting and verification of mitigation by developed and developing countries under a common heading did not help in that regard.

There was some initial discussion on the use of market-based mechanisms under the AWG-LCA, which is otherwise treated under the Kyoto Protocol. These discussions, however, broke down in the final round due to opposition from some developing countries. It appears that these countries do not wish to see progress on discussions on market-based mechanisms in the AWG-LCA framework, since they believe that this will increase the chance for survival of the Kyoto Protocol as the only framework for such mechanisms.

Finance

In the finance discussions, although there has been no agreement on the critical issue of how to scale-up funding and how much start-up funding will be on the table in Copenhagen, it has been possible to narrow down the options for institutional arrangements from eleven to four.



Ad Hoc Working Group on Further Commitments of Annex I Parties to the Kyoto Protocol (AWG-KP)

In the AWG-KP, there was heated discussion on the future of the Kyoto Protocol. Parties expressed strong views on crunch issues and the main points of divergence. The main political issues remaining are:

1. How to arrive at individual and aggregate emission reduction targets;
2. The role of land-use, land use change and forestry (LULUCF) and the mechanisms to meet these targets;
3. The length and number of commitment periods.

Clarity on the positions on these issues should allow the group to focus on negotiations in Barcelona.

Progress was encouraging with regard to land-use, where the text was significantly streamlined. There is an overall impression that while mitigation in the land-use sector might not have a significant impact on targets at the global level, it could potentially have critical impacts at the individual country level. With regard to the mechanisms, options for strengthening the Clean Development Mechanism (CDM) were narrowed and focused in particular on how to assess the additionality of CDM projects and ensure a more equitable regional distribution of these projects.

It is agreed that the current ambition level of emission reduction targets of industrialized countries is much too low and there is general appreciation that ways must be found to significantly raise this. In this regard, the announcement by Norway of its intention to increase its emission reduction target from 30% to 40% below 1990 levels by 2020 was very well received. Croatia also announced its target of an increase of 6% from 1990 levels in the period 2013 to 2020.

Moving Forward

After the discussions of the last two weeks, Parties will leave Bangkok with a much clearer idea of the options before them, the obligations that these imply and the still divergent positions of Parties.

It has become increasingly clear that the two fundamental issues which need resolution to unlock the doors to an agreement in Copenhagen remain: 1) increased ambition by the industrialized countries to cut their emissions and 2) up-front financing in Copenhagen to assist developing countries to undertake immediate adaptation and mitigation efforts. These issues can only be resolved through political engagement at a higher level. Your effort in engaging political leaders is very important in this context.

I am hopeful that the constructive atmosphere here in Bangkok will continue through to our Barcelona session scheduled for 2–6 November. In parallel, political efforts need to intensify to ensure that the institutional architecture, that can be the result of the negotiations, is filled with ambition.

cc: Mr. Vijay Nambiar, Under-Secretary-General, Chef de Cabinet, EOSG

Mr. Kiyo Akasaka, Under-Secretary-General, DPI

Miss Helen Clark, Administrator, UNDP

Mr. John Holmes, Under-Secretary-General, OCHA

Mr. Achim Steiner, Under-Secretary-General and Executive Director, UNEP

Mr. Robert Zoellick, President, World Bank

Mr. Robert Orr, Assistant Secretary-General, EOSG

Mr. Janos Pasztor, Director, Secretary-General's Climate Change Support Team