

Status of the UNFCCC Negotiations:

Outcomes of the Bonn Climate Change Talks, March-April 2009

Deborah Murphy
John Drexhage

May 2009

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Abbreviations and Acronyms

AWG-KP	Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol
AWG-LCA	Ad Hoc Working Group on Long-term Cooperative Action under the Convention
BAP	Bali Action Plan
CCS	carbon capture and storage
CDM	Clean Development Mechanism
COP	Conference of the Parties
COP/MOP	Conference of the Parties serving as the Meeting of the Parties
EU	European Union
EC	European Community
G-77	Group of 77
GEF	Global Environment Facility
GHG	greenhouse gas
IET	International Emissions Trading
IPCC	Intergovernmental Panel on Climate Change
IPR	intellectual property rights
JI	Joint Implementation
LDC	least developed country
LULUCF	Land Use, Land-use Change and Forestry
MRV	measurable, reportable and verifiable
NAMA	nationally appropriate mitigation actions
NGO	non-governmental organization
R&D	research and development
REDD	reducing emissions from deforestation and forest degradation in developing countries
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
U.S.	United States

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1.0 Introduction

The United Nations Framework Convention on Climate Change (UNFCCC) conference in Bonn from March 29 to April 8, 2009 represented the first round of international negotiations on a new climate change pact. Countries are attempting to reach agreement on a package for addressing climate change after 2012, and there are expectations that a comprehensive post-2012 climate agreement will be adopted at the fifteenth Conference of the Parties (COP 15) in Copenhagen, Denmark in December 2009.

The main objective of the Bonn meetings, the year's first set of international climate change discussions, was to work toward negotiating text. Any amendments to the Kyoto Protocol or other legal instruments proposed for adoption in Copenhagen must be communicated to Parties by June 2009. Negotiations are certain to continue until the end of COP 15 and there might be last minute surprises; but the main ideas should be included in June 2009 proposals to meet the "six month rule."

The Bonn meetings, attended by approximately 2,600 participants, led to no real surprises or tangible results. But to be fair, none was expected, as these meetings were the first of a series of at least six negotiating sessions planned for 2009. UNFCCC Executive Secretary Yvo de Boer reported that the Bonn talks succeeded in narrowing gaps among Parties and solid progress was made on what the new agreement must comprise when it is signed in December (UNFCCC, 2009c).

This paper provides an overview of the status of the international climate change negotiations with an emphasis on outcomes of the climate change talks in Bonn in March-April 2009. The paper examines the main issues at stake in the negotiations with an emphasis on the four pillars of the Bali Action Plan (BAP): mitigation, adaptation, technology and financing.¹ The concluding section discusses critical issues that will impact on the negotiations.

¹ The BAP was agreed to in December 2007 and set out a two-year process for reaching a climate agreement.

2.0 Background

Climate change is commonly identified as one of the most urgent and critical issues facing the world. The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC, 2007) confirmed that the warming of the climate system is unequivocal, and human actions are changing the earth's climate. This is creating major disturbances for ecosystems which have huge consequences for human development and well being. Since the release of the IPCC report in 2007, the impacts of climate change have become more apparent. Recent climate events and research findings include:

- The winter of 2008-09 had the second lowest amount of Arctic sea ice coverage on record. The record low was set in 2007. Arctic sea ice extent has been declining since 1978 (NASA, 2009). Open water stretched all around the Arctic in 2008, the first time in recorded human history that it was possible to circumnavigate the North Pole.
- An ice bridge connecting the Wilkins Ice Shelf on the Antarctic Peninsula to Charcot Island disintegrated in April 2009, leaving the remainder of the ice shelf vulnerable to further collapse. Over the past 30 years, scientists have observed a series of unusual ice shelf collapses on the Antarctic Peninsula (National Snow and Ice Data Center, 2009).
- The Garnault (2008) review on climate change in Australia warned that exceptionally hot years, which used to occur once every 22 years, would occur every one or two years, virtually making drought a permanent part of the Australian environment. Australia is in the grip of the worst drought in a century, which has stretched for more than seven years in some areas.
- The current outbreak of mountain pine beetle is 10 times larger than previous outbreaks and the largest seen in North America. Roughly half of British Columbia's pine trees are now destroyed by the insect and the devastation will release almost a billion megatonnes of greenhouse gases (GHGs) into the atmosphere by 2020, equivalent to about five years of transportation sector emissions from Canada. The past decade has not produced cold enough temperatures to kill off the insects (Kurz, *et al.*, 2008).

The goal of the UNFCCC (Article 2) is “to achieve...stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.” The UNFCCC, which was ratified in 1994, sets out an overall framework for international efforts to tackle the challenge of climate change. The Kyoto Protocol, which entered into force in 2005, is an addition to this treaty that sets legally binding targets for reducing GHG emissions for 37 developed nations and the European Community (EC). These targets amount to an average of five per cent reductions in emissions from 1990 levels over the five-year period 2008-

2012. The major distinction between the Convention and the Protocol is that the Convention *encourages* industrialized nations to stabilize GHG emissions, while the Protocol *commits* them to do so.

The 2009 negotiations are focused on reaching an outcome on an agreement on the commitments and structure of a climate regime for after 2012, when the when the first commitment period of the Kyoto Protocol ends. The climate change talks are carried out on two main tracks:

- Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) – includes 192 countries that have ratified the UNFCCC and is attempting to reach an agreement on an international strategy for addressing climate change after 2012. It is focusing on four main areas set out in the BAP—mitigation, adaptation, technology development and transfer, and financing and investment.
- Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) – includes 183 countries and one economic region (the European Economic Community) that have ratified or accepted the Kyoto Protocol. Most notably, the U.S. is not a member of this group. The working group is considering future developed country targets under the Kyoto Protocol, aiming to complete its work by the end of 2009.

Other UNFCCC bodies also contribute to the post-2012 negotiations through related discussions. Under the COP, the Subsidiary Body for Implementation (SBI) deals with such issues as financial mechanisms, technology transfer and capacity building. Also under the COP, the Subsidiary Body for Scientific and Technological Advice (SBSTA) includes technology transfer, adaptation, reducing emissions from deforestation and degradation in developing countries (REDD), and bunker fuels. The Conference of the Parties serving as the Meeting of the Parties (COP/MOP) brings together those countries that have ratified or accepted the Kyoto Protocol. Discussions related to the long-term negotiations include the Clean Development Mechanism (CDM), adaptation and capacity building.

3.0 Mitigation ²

At the heart of the negotiations is the discussion of GHG emission reductions. These negotiations take place in both AWGs. The AWG-LCA is discussing a long-term global goal for emission reductions as one issue of the “shared vision” for long-term cooperative action. The AWG-KP is negotiating the emission reductions required by Annex I Parties under the Kyoto Protocol in the subsequent commitment period (post-2012).

3.1 AWG-LCA

Under the AWG-LCA, mitigation and its associated means of implementation were discussed. Three in-session workshops were held—economic and social consequences of response mechanisms, mitigation by developed and developing countries respectively, and opportunities and challenges for mitigation in the agricultural sector. Discussions on mitigation by developed countries focused on the nature of commitments and how to define them. Although Parties agreed that a long-term emission reductions goal is necessary, it might take until COP 15 to agree on a number.

In regard to mitigation by developing countries, talks centred on nationally appropriate mitigation actions (NAMAs) and how to ensure that actions are measurable, reportable and verifiable (MRV). Several developing countries stressed that the MRV requirements apply only to financial, technical and capacity building support provided by developed countries for NAMAs in developing countries. Some developed countries highlighted the need for MRV of the actions (that is, measuring actual emission reductions) in developing countries. Another controversial topic was differentiation between developing countries, with some developed countries calling for major developing emitters, such as China and South Korea, to take on more stringent actions than others. Most developing countries rejected such proposals.

Positive discussions were held on REDD, with some convergence in regard to including conservation in a “REDD+” mechanism. REDD negotiations concentrated on whether these reductions would be financed by direct public assistance or a market-based approach. Australia and the United States supported including a forest carbon-trading mechanism in a new agreement; whereas the European Commission argued that there were monitoring, verification and liability issues with forest credits and inclusion in the European Union (EU) Emissions Trading Scheme would not be feasible until 2020. The Commission argued that a major part of EU funding could come from revenues from auctioning emission allowances. A Norway proposal called for developed

² This section and the following three sections are informed by the “Summary of the Fifth Session of the Ad Hoc Working Group on Long-term Cooperative Action and the Seventh Session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol: 28 March - 8 April, 2009,” *Earth Negotiations Bulletin*, produced by IISD Reporting Services. The report can be accessed at: <<http://www.iisd.ca/climate/ccwg5/>>.

countries to auction a share of their emissions rights and allocate the money to forest protection measures. The Norway approach would source the funding at the international, not national, level. The diversity of national opinions on the REDD issue means that all options will be on the table at the June meeting (Euractive.com, 2009).

Other topics discussed in the AWG-LCA discussions included sectoral approaches, the role of markets, consequences of response mechanisms and the catalytic role of the Convention.

3.2 AWG-KP

Under the AWG-KP, discussions focused on the scale of emission reductions to be achieved by Annex I Parties in aggregate, and no agreement was reached. There was considerable discussion of the IPCC aggregate range for Annex I reductions of 25 to 40 per cent below 1990 levels by 2020.³ Some noted that this is not a negotiated outcome, there are several possible emission pathways to achieve an agreed stabilization level, and there is a need to consider political and economic factors. Parties agreed that the UNFCCC Secretariat would compile a list of existing pledges by some Annex I Parties. For example, the EU has committed to reduce emissions unilaterally by 20 per cent from 1990 levels, and by 30 per cent in the context of global efforts (meaning that the United States, which is not a Party to the Kyoto Protocol, undertakes comparable reductions). Australia has unconditionally committed to reduce emissions by five per cent below 2000 levels by 2020, and by 15 per cent in the context of global efforts. This “bottom up” approach was not well received by developing countries, which want a more principled approach that establishes the necessary GHG emission reductions to be undertaken by developed countries based on scientific information and equitable principles. Many developing countries are concerned that the bottom up approach compilation will become the basis for negotiations.

The flexibility mechanisms were also discussed under the AWG-LCA, focusing on possible improvements (UNFCCC, 2009a). In regard to the CDM, issues under consideration included expanding the mechanism to include additional eligible Land Use, Land-Use Change and Forestry (LULUCF) activities, carbon capture and storage, and nuclear activities. Other options for consideration included: sectoral crediting of emission reductions below a previously established (no-lose) target; crediting on the basis of NAMAs; standardized, multi-project baselines; positive or negative lists of project activity types to ensure environmental integrity and assess additionality; differentiating the eligibility of Parties through the use of indicators; improved access to CDM activities by specified host countries; and multiplication factors to increase or decrease the certified

³ The IPCC Working Group III findings, which are referenced in the Bali Action Plan note that global emissions of GHGs need to peak in the next 10 to 15 years and be reduced to very low levels, well below half of levels in 2000 by the middle of the twenty-first century in order to stabilize concentrations in the atmosphere, and that achieving the lowest stabilization level assessed by the IPCC would require developed countries as a group to reduce emissions in a range of 25 to 40 per cent below 1990 levels by 2020. See Gupta, S. *et al.*, 2007, p. 776.

emission reductions issued for specific project types. In regard to *Joint Implementation (JI)*, the main issues under consideration were modalities for the treatment of CDM projects upon graduation of host countries; including nuclear activities; and promoting co-benefits for JI projects under track 2. For International Emissions Trading (IET), the key topics were emissions trading based on sectoral targets, emissions trading based on NAMAs, and modalities and procedures for recognizing units from voluntary emissions trading systems in non-Annex I Parties for trading and compliance purposes. No decisions were reached and deliberations will continue.

LULUCF discussions centred on proposals submitted by Parties, including:

- EU’s proposal for a “bar approach” to account for forest management,
- Tuvalu and others’ proposal to include devegetation to balance out accounting for revegetation,
- Canada’s proposal for assuming zero emissions or removals for cases of carbon saturation in cropland management,
- Iceland’s proposal to include wetland restoration and degradation as an optional activity in the LULUCF sector, and
- two different proposals from New Zealand and Tuvalu on harvested wood products.

Parties also referred to the land-based approach to account for LULUCF, as opposed to activity-based approaches. No decisions were taken, and Parties were invited to make submissions by April 24 (UNFCCC, 2009b).

The AWG-KP Chair has been mandated to prepare a proposal for amendments to the Kyoto Protocol on further commitments for Annex I, and a text on other issues, such as LULUCF and project-based mechanisms. The AWG-KP also adopted conclusions on the following substantive issues:

- emissions trading and project-based mechanisms;
- LULUCF;
- consideration of information on potential environmental, economic and social consequences, including spillover effects;
- tools, policies, measures and methodologies available to Annex I Parties;
- coverage of GHGs, sectors and source categories;
- common metrics;
- possible approaches for targeting sectoral emissions; and
- other issues considered under agenda item 5.

A particularly controversial discussion centers on the linkages between the two AWGs. Several developed countries have emphasized the need to maintain coherency and consistency between the two groups. A narrow amendment to the Kyoto Protocol is not likely to be accepted by many developed countries, including Australia and Canada. Indeed, Japan and the Russian Federation indicated in Bonn that they were not willing to negotiate targets for Annex I countries under the AWG-KP without knowledge of commitments from the U.S. and advanced developing countries—nations that are not obligated to take on commitments under the current structure of the Kyoto Protocol.

The developed countries that agreed to targets under the Kyoto Protocol are expected to take on even stronger commitments without any assurance that the world's two largest emitters—the U.S. and China, which represent more than 50 per cent of the globe's GHG emissions—would come on board and with what commitments. As a result, a few developed countries are subjected to relentless criticism by developing countries with all aware of the limitations of an agreement that does not include these significant economic and industrial “partners.” The negotiations became acrimonious on the final evening of the two-week session when it became clear that several Annex I countries would reject any indicative reduction target numbers in the negotiating text. By the end of the evening, the rhetoric had become so vitriolic that there were concerns about its “spillover effect” on other aspects of the negotiations, particularly the AWG-LCA that will be considering actions/commitments on the part of *all* Parties.

Several countries have called for coordination and synergy between the AWG-KP and AWG-LCA, because the U.S. is a full participant in the latter. Many developing countries, particularly the advanced developing countries, are keen to keep the processes separate because it provides them cover in their attempts to ward off increasing pressure to take on international commitments to limit their GHG emissions. The AWG-KP conclusions (UNFCCC, 2009d) stated that the working group would “maintain a coherent approach between the Convention and the Kyoto Protocol in relation to the commitments of Annex I Parties.”

4.0 Adaptation

Adaptation was discussed under the AWG-LCA and concentrated on underlying principles of adaptation, possible elements for an adaptation framework, institutional arrangements, means of implementation, implementation, and risk and insurance. Parties agreed that adaptation to climate change is important to all countries, particularly LDCs, small island developing states and African countries affected by droughts, floods and desertification. There was convergence in the Bonn talks on the need for an overarching framework for adaptation.

A framework for adaptation has begun to take shape, with discussions under the AWG-LCA concentrating on matching adaptation support with finance and technology, as well as capacity building. Developing countries want adaptation funding to be new, predictable and additional to official development assistance. They want the governance of the financing structure to be under the authority of the COP. The G-77 and China presented elements of a Framework on Adaptation that treats adaptation and mitigation on an equal footing and recognizes adaptation as an absolute necessity for all developing countries. The proposed Adaptation Framework would include: enabling activities; implementation and projects on the ground by national, local and regional stakeholders; and a coordinating mechanism. The Framework would also include a mechanism to address loss and damage, including insurance. The Framework would recognize the importance of a country-driven approach and direct access to funds. Many developing countries noted the need for a financing mechanism to cover full incremental costs of adaptation technologies (Hoffmaister, 2009).

Developed countries have stressed the need for mutual accountability, robust governance principles, and coherence with other institutions and organizations. New Zealand noted that a range of bilateral, regional and international mechanisms and channels should be used to deliver climate change support. Canada remarked that it would be useful to develop guiding principles, such as giving priority to the most vulnerable, using a country driven approach, and promoting an enabling environment that aims to achieve a common goal. Canada also noted that there would be great value in building on the expertise and resources that currently exist, and the Convention has a strong role for catalyzing adaptation efforts with new initiatives such as the Nairobi Work Programme. The U.S. noted that “one size does not fit all” and called for a clearly defined role for the UNFCCC.

5.0 Technology

Technology and financing were discussed as one issue under the AWG-LCA, partly a reflection of the uncertainty as to how to best deal with technology and because any technology cooperation will be closely linked to the financing discussion. Parties are far from attaining consensus on technology development and transfer or even reaching a common understanding of the issue.

At the Bonn Climate Change Talks, Parties discussed a balanced approach to mitigation and adaptation technologies, the use of leveraging or clearing house institutions to link technology needs with resources from the private sector, and assessment of the speed and scale of technology transfer. The discussion also included the topic of research and development (R&D), including the need for joint R&D activities, scaling up public funding on climate technology R&D and regional R&D centres. China made several proposals, including a technology acquisition fund, a technology roadmap, actions plans under the UNFCCC, and the establishment of a subsidiary body on technology under the UNFCCC that would deal with technology policy and actions.

A range of proposals from developing countries called for a relaxation of intellectual property rights (IPR) on climate friendly technologies. Several measures and mechanisms were proposed to address the IPR issue, including compulsory licensing in developing countries, voluntary licenses, patent pooling, worldwide mandatory exclusion from patents, expansion of flexibilities in the IPR system and expansion of exemptions. Several countries called for a new IPR partnership for climate friendly technologies. Most developed countries did not engage on these proposals. Japan noted that it was necessary to protect IPRs because they are important tools to recoup innovation costs and promote further technology development (Raman, 2009).

6.0 Financing

Little progress was made on financing with discussion centred on proposals put forward by various Parties. Mexico reiterated its proposal for a Green Fund financed by assessed contributions from developed countries. Norway emphasized its proposal for raising funds using revenues from the auctioning of carbon credits. South Korea proposed crediting of NAMAs and Switzerland noted its proposal for a carbon tax of US\$2 per tonne of carbon dioxide. The group of Least Developed Countries (LDCs) has called for US\$2 billion to finance the implementation of their national adaptation plans.

Discussions also emphasized the financial support that developed countries must provide to less developed countries and small island states to help them adapt to climate change, as well as the question of financing for technology to help developing countries reduce emissions. Countries discussed how to increase public funding that will be additional to official development assistance, and debated the role of market mechanisms in funding mitigation and adaptation measures, as well as how that role could be expanded. In a debate on financing, China observed that the use of the carbon market is just one of several options available for funding climate change actions in developing countries, and should not take the place of other responsibilities. This is just one example of a softening of the rhetoric in the discussions. In the past, China would have insisted that developed countries must pay for their impact on world climate.

The scale of funding has not been committed to, there is no clear consensus on how the funding will be mobilized and there is no agreement on the proportion of funds from public or private sources. In general, developing countries want to see a majority of funding come from public funds, while developed nations believe such funding should come mainly from the private sector. The governance of any funds also remains an outstanding question—although there is agreement on the need for efficient, effective and transparent mechanisms. In general, developed countries want to build new financial mechanisms on the basis of existing institutions, including the Global Environment Facility (GEF) and the World Bank. Developing nations tend to favour the establishment of a new institutional framework under the UNFCCC because of their dissatisfaction with the operations of the GEF and World Bank. Many developing countries indicated that they will accept nothing less than the governance structure of the Adaptation Fund—where a Board functions as the operating entity of the Fund, the GEF acts as the Secretariat and the World Bank acts as Trustee to the Fund. Another important element of the Adaptation Fund is that developing countries have direct access to the Fund, meaning that developing country executing agencies, which can include government agencies, can directly submit projects to the Board without having to rely on intermediary organizations.

Parties will need to articulate an overall philosophy regarding how financing is to occur including: what should be addressed within and outside the Convention, what principles should guide any agreement on financing, what specific technological and financial barriers should be addressed, and what functions need to be performed by any new mechanism and whether a new mechanism is warranted.

7.0 Moving toward Copenhagen

Both AWGs plan to meet five more times over 2009: Bonn, Germany in June; Bonn in August; Bangkok, Thailand in September/October; a venue yet to be determined in November; and Copenhagen, Denmark in December. The meetings to be held on June 1-12 will include the sixth session of the AWG-LCA, the eighth session of the AWG-KP and the thirtieth session of the UNFCCC subsidiary bodies, the SBSTA and SBI. Formal negotiating text will be tabled at these sessions in accordance with the six-month rule.

7.1 Submissions to the AWG-LCA

In preparation for the June Climate Change Talks, countries have been requested to submit views or information on a variety of subjects to the various bodies under the UNFCCC. Since the March-April climate talks, Parties have made 34 submissions to the AWG-LCA on the negotiating text and/or the content and form of the agreed outcome at COP 15. Examples of some of the elements in submissions include:

- United States of America (May 4, 2009) – “committed to reaching a strong international agreement in Copenhagen based on both the robust targets and ambitious actions that will be embodied in U.S. domestic law and on the premise that the agreement will reflect the important national actions of all countries with significant emissions profiles to contain their respective emissions. ... It takes the form of an “implementing agreement” under the Framework Convention, in order to allow for legally binding approaches and to reflect the Bali Actions Plan’s mandate to further the implementation of the Convention.”
- Canada (24 April 2009) – “All Parties...with a view to achieving an aggregate reduction in global greenhouse gas emissions of at least 50 percent by 2050, shall:
 - i) Establish, regularly update and submit in writing to the Secretariat a long-term national greenhouse gas emissions limitation or reduction pathway for regular review by the Conference of the Parties;
 - ii) Develop, regularly update and submit in writing to the Secretariat a verified national inventory of anthropogenic emissions by sources and removals by sinks of all gases not controlled by the Montreal Protocol for regular review by the Conference of the Parties;
 - iii) Formulate, regularly update and implement the contents of national schedules annexed to this agreement, which shall include long-term national greenhouse gas emissions limitation or reduction pathways, quantified emissions limitation or reduction commitments for 2020, and the measureable, reportable and verifiable mitigation policies and measures designed to meet those commitments, subject to

regular review by the Conference of the Parties;

- Czech Republic on behalf of the European Community and its Member States (28 April 2009) – “proposes to include in the negotiation text the concept of low-carbon development strategies (LCDs) as the structure for developing countries to indicate their contribution to the global mitigation effort and to describe the nationally appropriate mitigation actions (NAMAs) they intend to undertake in order to realise this contribution, as well as to indicate what support would be necessary to enable these NAMAs.”
- China (24 April 2009) – “The most urgent requirement at present is to set the mid-term emission reduction target for developed country Parties, rather than a general long-term global goal. Only with such a mid-term target being clearly determined, is it meaningful to talk about any long-term goals for emission reductions. All developed country Parties to the Convention shall commit to reduce their GHG emissions by at least 40% below 1990 levels by 2020.”
- Algeria on behalf of the African Group (14 April 2009) – “a comprehensive and action-oriented international programme on adaptation implementation is established, aimed at reducing vulnerability and building resilience of developing countries to impacts that are already occurring, and impacts that are expected to occur in the future. This programme provides access to means of implementation, including finance, technology and capacity building, with massively scaled up funding, in the order of \$67 billion per year.”

The above statements are only examples of those included in submissions and each submission covers a range of elements. The full submissions can be accessed at:

http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/4578.php.

It is important to note that the large number of countries comprising the G-77 and China negotiating bloc provides that group with an advantage in the negotiating process. The historical dynamic indicates that when the G-77 and China reach agreement on a proposal, it is highly likely that their proposal will become the basis for negotiations. Considerable room still remains for negotiation, but the proposal will have influence over the negotiations. The G-77 and China have not submitted negotiating text, but previous submissions, such as the one on the establishment of overarching institutional arrangements for a financial mechanism, have influenced submissions on the negotiating text from many developing countries.

Over 2009, the AWG-LCA will need to finalize an agreement and, as noted in the submissions, important negotiations topics include the global mid-term and long-term emission reduction goals, comparability of mitigation efforts by developed countries and MRV in the context of developing country mitigation actions. The discussions on financing will also need resolution—determining whether and what type of financing should be developed to support developing country actions

including those relation to mitigation (including REDD), adaptation and technology.

The AWG-KP has a clear objective for 2009—to agree on further commitments for developed countries after 2012.

7.2 U.S. and the Negotiations

The big question before the Bonn Climate Change Talks was how much of difference the profile of the U.S. would play in the negotiations. The short answer—all the difference in the world, thankfully. Despite the fact that the U.S. delegates had no time to develop any sort of mandate on the myriad of issues under consideration in the international climate change talks (and thus were unable to significantly contribute to substantive issues under discussion), the tenor of constructive engagement made a real difference. So much so that the NGO community gave a standing ovation to the senior State Department official at a briefing held by the U.S. government. This had a spillover effect in most of the negotiating forums. There was no massive shift in policy or political positions as a result of these preliminary discussions, but there was a new attitude and a more positive tone. This is probably more important than progress on technical issues at this stage, because over the last nine years the international climate discussions have been characterized by acrimony and the “blame game.”

The position of the U.S. is a large factor in the negotiations. There are positive signs, with the Obama administration using several policy levers to address climate change. For example, \$80 billion of the stimulus package directed toward climate change-related initiatives, energy efficiency standards and movement on a domestic cap-and-trade system. However, it will take time for the U.S. to develop its international climate negotiating positions, and there is no guarantee that this will be sorted out by Copenhagen, especially if the U.S. needs to have a detailed domestic implementation plan that helps drive international negotiating positions. Recent messages out of Capital Hill indicate that it is less and less tenable that a bottom-up approach will result in an emission reduction target that will have consensus in Washington prior to COP 15. This has implications for actions in other countries (for example, Australia announced in April 2009 that its planned emissions trading system will have a delayed start of 2011 with a widened 5-25 per cent reduction target dependent on international developments.

A new U.S. delegation that is willing to engage and become part of the solution benefited the Bonn Climate Change Talks, as did ambitious positions put forward by developing countries. The major developing countries—including Brazil, China, India, Mexico, South Africa and South Korea—are critical players and success at Copenhagen could depend on the positions of these countries, in particular China, as well as the U.S.

7.3 Concluding Comments

There are several issues to be resolved over the next eight months if an agreement is to be reached in Copenhagen. Indeed, countries are still arguing about what would comprise a post-2012 agreement. An outstanding question is: should negotiators come up with a decision or deal as a successor to the current Kyoto Protocol, or replace the Kyoto Protocol with a new Protocol or legal treaty. The tight timeframe and huge complexity of the negotiations means there is a real risk that the final deal may not be reached in December 2009 or that only a framework agreement will be agreed to in Copenhagen with much of the detail to be negotiated at a later date.

Glossary

Adaptation Fund

The fund finances adaptation projects in developing countries that are particularly vulnerable to the adverse effects of climate change. The Adaptation Fund is financed by a 2 per cent levy on credits issued through CDM projects.

AWG-KP – Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

This group, agreed to at COP 11 in Montreal in 2005, is discussing future commitments for industrialized countries under the Kyoto Protocol. Membership includes all countries that have ratified or approved the Kyoto Protocol. Most notably, the U.S. is not a member of this group.

AWG-LCA – Ad Hoc Working Group on Long-term Cooperative Action under the Convention

This group, formed under the BAP, is undertaking a dialogue to analyze approaches for long-term cooperative action to address climate change, including mitigation, adaptation, technology, and financing and investment. Membership includes all nations that have signed the UNFCCC.

Annex B Countries

These are developed nations, as well as countries in Central and Eastern Europe, that committed to emission reductions at Kyoto. “Annex” refers to an appendix to the Kyoto Protocol document. Canada is one of the Annex B countries. The U.S. has not ratified the Kyoto Protocol.

Annex I Countries

These are OECD countries (except for Mexico and South Korea) and those making the transition to a market economy, such as Russia and the former Eastern Bloc countries, that are signatories to the UNFCCC.

Anthropogenic Emissions

GHG emissions that result from the activities of human beings, such as burning of fossil fuels.

BAP – Bali Action Plan

A decision of COP 13 in Bali, Indonesia that sets out a comprehensive process to enable the implementation of the UNFCCC through long-term cooperative action beyond 2012. The two-year process is expected to finalize a post-2012 regime by COP 15 in December, 2009 in Copenhagen, Denmark.

CDM – Clean Development Mechanism

A market-based mechanism under the Kyoto Protocol where a project or program of activities to mitigate climate change in a developing country can generate credits (certified emission reductions – CERs) that can be used by an Annex I Party to help meet its GHG emission reduction commitment.

COP – Conference of the Parties

An association of 192 countries (that have ratified or approved the UNFCCC) that meet once a year to review the convention's progress.

COP/MOP – Conference of the Parties/Conference of the Parties Acting as the Meeting of the Parties

The COP also acts as the meeting of the parties to the Kyoto Protocol. This group includes 183 countries and one economic region (the EC) that have ratified or accepted the Kyoto Protocol. The U.S. participates in these meetings as an observer since it has not ratified the protocol.

IET – International Emissions Trading

A market-based mechanism under the Kyoto Protocol that allows Annex B countries to buy and sell parts of each country's allowed emissions, which are divided into assigned amounts units (AAUs). This increases the allowable emissions in the recipient country and reduces those of the seller country.

GHG – Greenhouse Gas

Gases that accumulate in the earth's atmosphere and trap heat contributing to the greenhouse effect. The six greenhouse gases covered under the Kyoto Protocol are CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

IPCC – Intergovernmental Panel on Climate Change

A body made up of the world's leading climate experts, established in 1988 by the UNEP and the World Meteorological Organization, to assess the scientific research on climate change and its environmental and economic impacts. Most notably the IPCC publishes at regular intervals Assessment Reports on the latest knowledge on climate change.

JI – Joint Implementation

An international project, involving joint action by Annex B countries, that results in a real, measurable reduction in net GHG emissions in a host country.

Kyoto Protocol

The protocol is an international agreement linked to the UNFCCC that sets binding targets for 37 industrialized countries and the EC for reducing GHG emissions. These targets amount to an average of 5 per cent from 1990 levels over the five-year period 2008-2012. The protocol was adopted in 1997 and entered into force in February 2005.

LULUCF – Land Use, Land-use Change and Forestry

A GHG sector that covers emissions and removals of GHGs resulting from land use, land-use change and forestry activities that result from human activities. Examples of activities in the land-use sector include increasing removal and storage of carbon from the atmosphere by planting trees or introducing reduced-tillage or “no-till” agricultural practices or reducing emissions by curbing deforestation.

UNFCCC – United Nations Framework Convention on Climate Change

The agreement signed by 192 countries at the Earth Summit in Rio in June, 1992 under which climate change is monitored and addressed globally.

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