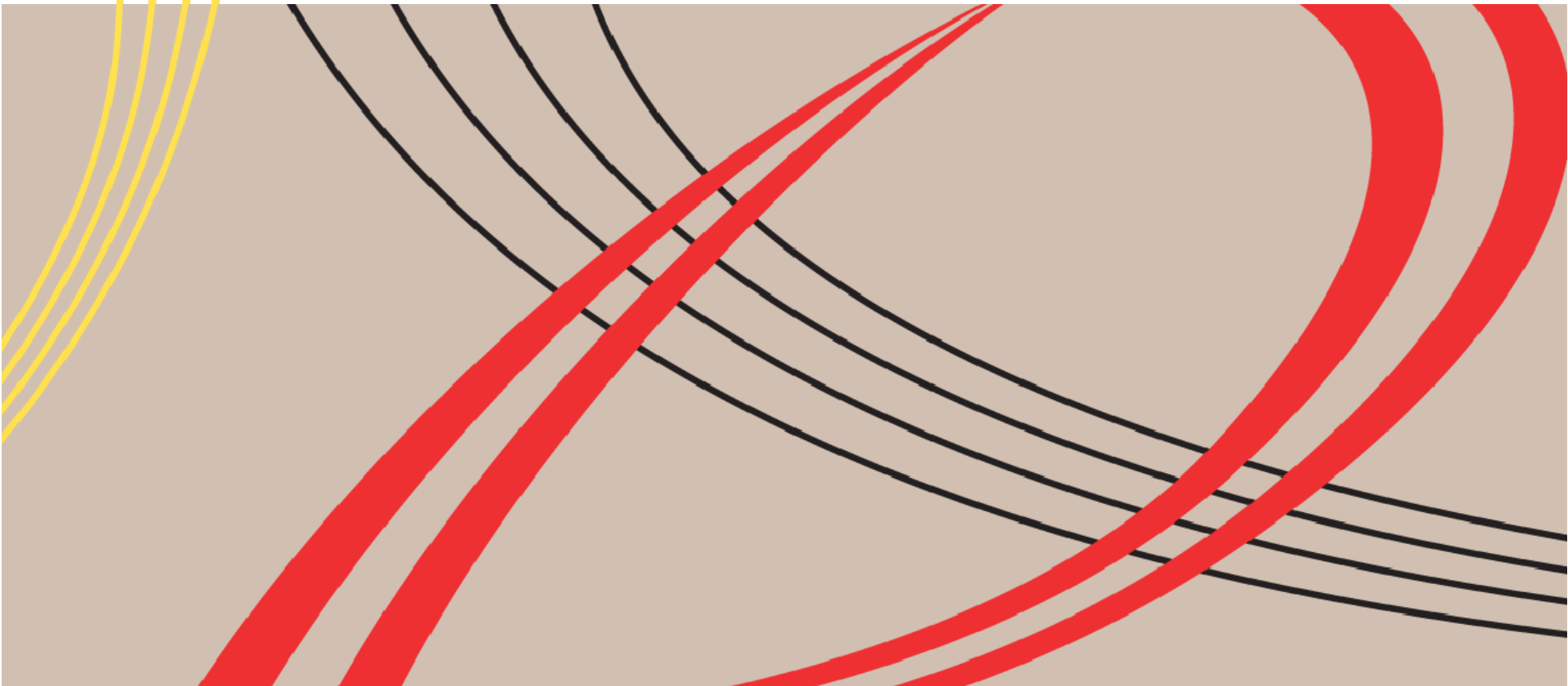


# Bonn Climate Change Talks April & June 2010

*Geert Fremout - 30/06/2010*



## AWG-KP 11 / AWG-LCA 9 (Bonn 9-11 April 2010)

- Procedural session : how to deal with the different ‘Copenhagen texts’? :
- *‘AWG-LCA invited its Chair to prepare, under her own responsibility, a text to facilitate negotiations among Parties, drawing on the report of the AWG-LCA presented to the COP at its fifteenth session, as well as work undertaken by the COP on the basis of that report, and to make this text available two weeks in advance of the tenth session of the AWG-LCA’.*



## **AWG-KP 12 / AWG-LCA 10 (Bonn 1-11 June 2010)**

- **AWG-LCA (convention track):**
  - based on questions by the chair
  - constructive atmosphere and good discussion,
  - strong reactions of some developing countries on the new text proposed by the chair at end of the session
- **AWG-KP (Kyoto track) :**
  - increasing willingness to discuss ‘loopholes’ under the AWG-KP :
    - surplus AAUs,
    - LULULCF accounting rules



## Mitigation

- Progress in Bonn:
  - No progress on ‘numbers’
  - Bunkers ‘back in the negotiation text’
  - REDD+ : status quo
- Outstanding issues/Next steps:
  - Increasing openness to discuss ‘rules’ under the AWG-KP: workshop in August session
  - Draft LCA-conclusions on ‘formalisation of pledges’ not accepted by G77
  - Further consultations on ‘common space’- better understanding of the pledges
  - AOSIS request for 1,5°C-paper (costs and costs of inaction) blocked by OPEC



# MRV

- **Progress in Bonn:**
  - First “in depth” discussion on MRV for Annex 1 and non-Annex 1 Parties guided by LCA Chair on the different aspects on MRV mentioned in CA
  - Need for meaningful, purposeful and regular reporting and review : transparency and capacity building
  - For many Parties, Kyoto rules for MRV are an ‘acquis’ for A1 parties
  - Content and frequency of reporting should be different for A1 and non A1 Parties
- **Outstanding issues/Next steps:**
  - New LCA MRV text was unacceptable for many non A1 – looking forward for new and more balanced text
  - Financial aspects of MRV for non AI Parties
  - Process of international consultation and analysis still to elaborate (‘national sovereignty’)



## Market Mechanisms

- Progress in Bonn:
  - LCA: first openness to discuss new mechanisms – new text by mid July
  - KP: nearly no progress
  - SB: conclusions along EU lines on standardized baselines, carbon capture and storage, forests in exhaustion, HFC and payment for international transaction log (ITL)
- Outstanding issues/Next steps:
  - LCA: outreach to better explain new mechanisms
  - KP: workshop on numbers and loopholes in August



## LULUCF accounting rules

- Progress in Bonn:
  - Increasing willingness to finalize LULUCF accounting rules in Cancun
  - New interesting proposals from G77, EU, PNG, TUV and RUS on accounting for Forest Management (e.g. review process of Reference Levels)
- Outstanding issues/Next steps:
  - Still too many options for Forest Management accounting on the table
  - Different views on the treatment of natural disturbances, harvested wood products and sinks in CDM
  - Packages will be proposed by the co-chairs in the next session (Bonn) → could indicate a shift to final negotiations



## Adaptation

- Progress in Bonn:
  - Limited progress
  - Discussion guided by questions on:
    - relation between adaptation & RM
    - functions of possible institutional arrangements for adaptation
    - loss & damage issue
    - matching of adaptation actions with support
  - Result: Chair's advance draft revised text:
    - +/-: delinking adaptation & RM in shared vision paragraphs, but maintaining it in the actual adaptation text
- Outstanding issues/Next steps:
  - Waiting for new text
  - RM issue will probably be reopened
  - Discussions in Bonn in August will most likely concentrate on the institutional arrangements debate



# Technology

- Progress in Bonn:
  - Useful exchange of views on the role and functions of the different components of the Technology Mechanism (Technology Executive Committee, Climate technology Centre and Network)
  - Emerging common ground on the advisory role of the TEC vis-à-vis the future financial arrangement
  - Progress in exploring the linkages / synergies between the institutions for finance, technology and adaptation
  - IPR: status quo
  - SBSTA/SBI: Endorsement of the updated programme of work of the EGTT for 2010-2011 (incl. options for operational modalities of the Technology Mechanism)



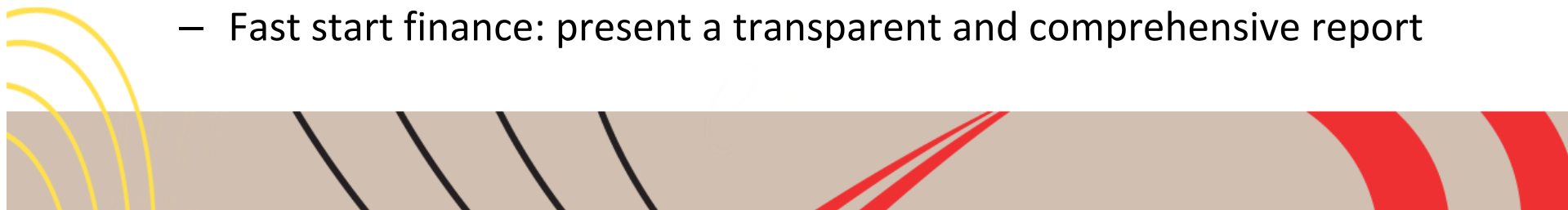
## Technology

- Outstanding issues/Next steps:
  - Further work should be focused on bracketed text, mainly related to:
    - Link between the TM and the provision of financial support
    - Link between the CTC/N and the TEC
  - Some other focus areas / key questions :
    - What are the minimum requirements in terms of decisions under the other BBs in Cancun that the EU considers a pre-requisite for a decision on technology ?
    - Common understanding on the concrete functions of the components of the Technology Mechanism (TEC/CTC/CTN), and the project cycle



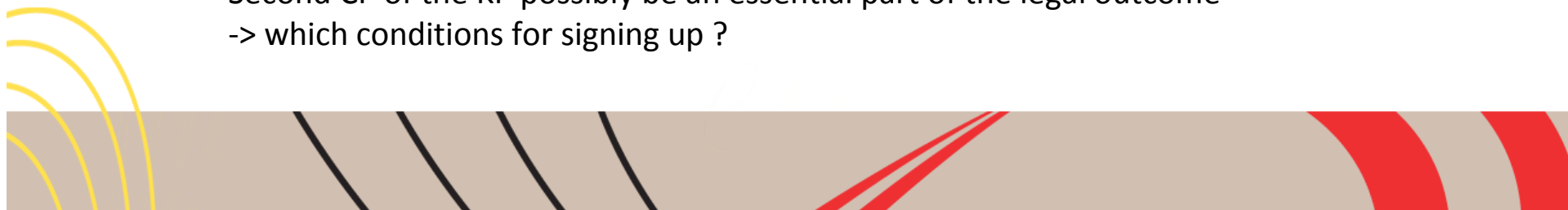
## Finance

- **Progress in Bonn:**
  - The New Fund: convergences among parties on the need to establish a new fund under the COP
  - Institutional arrangements: convergences on functions needed (overview, matching) and on the idea that some functions could be entrusted to existing institutions
  - Fast Start Finance: the EU as well as other A1 countries made a preliminary report on their actions
- **Outstanding issues/Next steps:**
  - Reach a COP decision creating the New Fund and defining its core elements
  - Reach a COP decision regarding institutions (functions, Body/Panel)
  - Sources: build on the HLAG report to feed the UNFCCC process
  - Fast start finance: present a transparent and comprehensive report



# Legal form

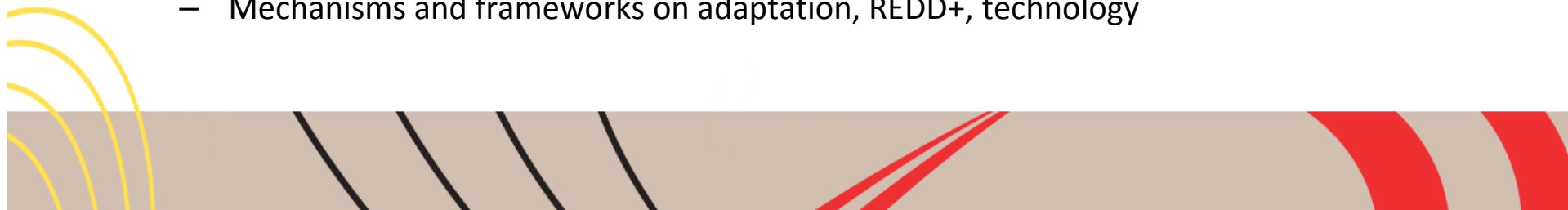
- **Politics**
  - Decision 1/CMP.5: No gap between the 1st and the 2d CP
  - CPH Accord: Annex I KP Parties will further strengthen the emission reductions initiated by the KP
  - Increasing pressure on the EU and other Annex I Kyoto Parties for 2d CP
- **Progress**
  - Countless references to a legally binding outcome at different levels (submissions from Parties, LCA revised text, informal meetings, outreach ...)
  - AWG KP: Setting up of a contact group on legal matters
- **Difficulties**
  - Diverging views on the legal form of this outcome (1 or 2 treaties, treaty vs. decisions, ...)
  - Stalemate of symmetry (US vs. advanced developing countries and A1KPparties vs.US)
  - Schedule for adoption LBA uncertain
- **Role of the KP**
  - Second CP of the KP possibly be an essential part of the legal outcome  
-> which conditions for signing up ?



## The Road to Cancún

### ➤ Main Challenges for the EU on the way to Cancun:

- rebuild trust and recover “institutional normality”
- avoid antagonism between two negotiating tracks (KP, LCA)
- combine a science based top down approach with a bottom-up approach to engage developing countries and US
- address the substantial gaps in the present proposals (cf. current developed countries pledges account only for reduction in the order of -13 to -17% by 2020 compared to 1990, compared to the -25 to -40% required by science)
- issues of hot air and LULUCF accounting rules need to be resolved (cf. can potentially undermine reduction targets)
- integrate the elements of the Copenhagen Accord in decision texts, and make them operational:
  - MRV
  - Finance: how to institutionalize the Copenhagen Green Climate Fund
  - Strengthening market mechanisms
  - Mechanisms and frameworks on adaptation, REDD+, technology



## The Road to Cancún

### ➤ **EU approach on the way to Cancun:**

- reinforce EU leadership by stressing the EU commitment for both:
  - Immediate action: confirmation on its share of fast start financing (2,4 billion Euro for next 3 yrs) and reporting at COP.16
  - An ambitious end result (a comprehensive global legally binding agreement in line with the 2°C target)
- show that the EU is engaging seriously in the work of both AWGs and supporting the need for continuity of the Kyoto track
- show openness to:
  - stepwise approach
  - the form of a legally binding agreement
- initiatives on REDD +
- increased importance for outreach activities, bridge building role of the European Union and need for strategic alliances
- clarify the expectations for a balanced and realistic outcome in Cancun, as a major step for a legally binding agreement in 2011



# The Road to Cancún

## ➤ Important steps

- Bonn session August 2010:
  - AWG-LCA : new text accepted as a basis for negotiations?
  - AWG-KP : workshops and discussions on loopholes
- Initiatives on REDD+ (Oslo-Paris), adaptation (Spain, US, Costa Rica) and mitigation/MRV (Germany, South Africa)
- Input by other fora into the UNFCCC-process : MEF (30 June/1 July 2010), Clean Energy Forum (19-20 July 2010)
- Further informal consultations by Mexico, i.a. on legal form
- Second additional negotiation session (beginning October, Beijing)
- Report from the HL AG (november 2010)
- COP 16/CMP 6 (29 November – 10 December, Cancún)

