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SUMMARY OF THE COPENHAGEN CLIMATE CHANGE CONFERENCE

7-19 DECEMBER 2009

The United Nations Climate Change Conference in Copenhagen, Denmark took place from 7-19 December 2009. It included the fifteenth Conference of the Parties (COP 15) to the United Nations Framework Convention on Climate Change (UNFCCC) and the fifth Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 5). COP 15 and COP/MOP 5 were held in conjunction with the thirty-first sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 31) and the Subsidiary Body for Implementation (SBI 31), the tenth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 10) and the eighth session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA 8).

The Copenhagen Conference marked the culmination of a two-year negotiating process to enhance international climate change cooperation under the Bali Roadmap, launched by COP 13 in December 2007. Close to 115 world leaders attended the joint COP and COP/MOP high-level segment from 16-18 December, marking one of the largest gatherings of world leaders outside of New York. The conference was subject to unprecedented public and media attention, and more than 40,000 people, representing governments, nongovernmental organizations, intergovernmental organizations, faith-based organizations, media and UN agencies applied for accreditation at the conference.

Many hoped that the Copenhagen Climate Conference would be able to "seal the deal" and result in a fair, ambitious and equitable agreement, setting the world towards a path to avoid dangerous climate change. To this end, what many characterized as "intense negotiations" took place over the two weeks at the level of experts, Ministers and Heads of State. But it was not without controversy. Questions concerning transparency and process played out during the meeting. Differences emerged, *inter alia*, on whether work should be carried out in a smaller "friends of the chair" format as well as on a proposal by the Danish COP Presidency to table two texts reflecting the work done by the AWGs. Many parties rejected this idea, urging that only texts developed in the AWGs by parties should be used.

During the high-level segment, informal negotiations took place in a group consisting of major economies and representatives of regional groups. Late on Friday evening, these talks resulted in political agreement entitled the "Copenhagen Accord," which was not based on the texts developed by either of the AWGs. Details of the agreement were widely reported by the media before the COP closing plenary. While most reports highlighted that Heads of State had been able to "seal the deal," almost everyone participating in the negotiations openly admitted that it was "far from a perfect agreement."

During the closing COP plenary, which lasted nearly 13 hours, long and what many characterized as "acrimonious" discussions ensued on the transparency of the process that had led to the conclusion of the Copenhagen Accord and on whether the COP should adopt it. Most negotiating groups supported its adoption as a COP decision in order to operationalize it as a step towards "a better" future agreement. Some developing countries, however, opposed the Accord reached during what they characterized as an "untransparent" and "undemocratic" negotiating process. During informal negotiations facilitated by UN Secretary-General Ban Ki-Moon during the night and early morning, parties agreed to adopt a COP decision whereby the COP "takes note" of the Copenhagen Accord, which was attached to the decision as an unofficial document. Parties also agreed to establish a procedure whereby countries supporting the Copenhagen Accord can accede to it.

Many recognized the historical significance of the Copenhagen Conference, highlighting its unprecedented success in bringing together the majority of the world's leaders to consider climate change and listing mitigation actions pledged by developed and developing countries, as well as provisions on finance and technology. Most delegates, however, left Copenhagen disappointed at what they saw as a "weak agreement," and questioning its practical implications given that the Copenhagen Accord had not been formally adopted as the outcome of the negotiations.

A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the UNFCCC in 1992, setting out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid "dangerous anthropogenic interference" with the climate system. The UNFCCC entered into force on 21 March 1994 and now has 194 parties.

In December 1997, delegates at COP 3 in Kyoto, Japan, agreed to a Protocol to the UNFCCC committing industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known under the UNFCCC as Annex I parties, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying from country to country. The Kyoto Protocol entered into force on 16 February 2005 and currently has 190 parties.

In 2005, at COP/MOP 1 in Montreal, Canada, parties established the AWG-KP on the basis of Protocol Article 3.9, mandating

consideration of Annex I parties' further commitments at least seven years before the end of the first commitment period. In addition, COP 11 agreed in Montreal to consider long-term cooperation under the Convention through a series of four workshops known as "the Convention Dialogue," which continued until COP 13.

BALI ROADMAP: COP 13 and COP/MOP 3 took place in December 2007, in Bali, Indonesia. The focus was on long-term issues and the negotiations resulted in the adoption of the BAP, establishing the AWG-LCA with a mandate to focus on key elements of long-term cooperation identified during the Convention Dialogue, namely: mitigation; adaptation; finance; and technology and capacity building. The BAP also called for articulating a "shared vision for long-term cooperative action," including a long-term global goal for emission reductions.

Parties agreed on a two-year negotiating process, the Bali Roadmap, which included "tracks" under the Convention and the Protocol and set a deadline for concluding the negotiations in Copenhagen. The two key bodies under the Bali Roadmap are the AWG-LCA and the AWG-KP, which held four negotiating sessions in 2008: April in Bangkok, Thailand; June in Bonn, Germany; August in Accra, Ghana; and December in Poznań, Poland.

AWG-LCA 5 & AWG-KP 7: From 29 March to 8 April 2009, AWG-LCA 5 and AWG-KP 7 convened in Bonn, Germany. The main objective of the session was to work towards negotiating text under both AWGs. Based on a note (FCCC/AWGLCA/2009/4, Parts I and II), prepared by AWG-LCA Chair Michael Zammit Cutajar (Malta), discussions at AWG-LCA 5 focused on elaborating elements for a draft negotiating text to be prepared by Chair Zammit Cutajar for AWG-LCA 6.

AWG-KP 7 focused on emission reductions by Annex I parties under the Kyoto Protocol beyond 2012 and on legal issues, including possible Protocol amendments. The AWG-KP also considered potential consequences of response measures and the other issues in its work programme (FCCC/KP/AWG/2008/8), namely: flexibility mechanisms; land use, land-use change and forestry; and methodological issues. The AWG-KP requested its Chair, John Ashe (Antigua and Barbuda), to prepare two documents for its next session: a proposal for Protocol amendments under Article 3.9 (Annex I parties' further commitments); and a text on the other issues.

AWG-LCA 6 & AWG-KP 8: From 1-12 June 2009, AWG-LCA 6 and AWG-KP 8 convened in Bonn, Germany, in conjunction with the 30th sessions of the SBI and SBSTA. AWG-LCA 6 concentrated on developing negotiating text, using a Chair's draft (FCCC/AWGLCA/2009/8) as the starting point. Parties clarified and developed their proposals and the main outcome was a revised negotiating text (FCCC/AWGLCA/2009/INF.1), which was nearly 200 pages long and covered all the main elements of the BAP. AWG-KP 8 focused on Annex I parties' aggregate and individual emission reduction targets. It agreed to continue discussions on these as well as on the other issues based on documentation prepared by the AWG-KP Chair.

By the end of the June session, the Secretariat had also received five proposals for a new protocol under the Convention and twelve submissions concerning amendments to the Kyoto Protocol, proposed for adoption in Copenhagen.

INFORMAL AWGs: From 10-14 August 2009, the AWG-LCA and AWG-KP held informal intersessional consultations in Bonn, Germany. For the AWG-LCA, the focus was on how to proceed with the revised negotiating text (FCCC/AWGLCA/2009/INF.1). It began producing reading guides, tables, matrices and non-papers (FCCC/AWGLCA/2009/INF.2) aimed at making the negotiating text more manageable. Under the AWG-KP, discussions continued on Annex I parties' emission reductions, potential consequences and other issues. The results were reflected in revised documentation prepared by the Chair for Bangkok.

AWG-LCA 7 AND AWG-KP 9: From 28 September to 9 October 2009, the first part of AWG-LCA 7 and first part of AWG-KP 9 convened in Bangkok, Thailand. Both AWGs resumed their sessions from 2-6 November 2009 in Barcelona, Spain.

AWG-LCA 7 continued streamlining and consolidating the negotiating text. The outcome was a series of non-papers, forwarded to Copenhagen as an annex to the meeting report (FCCC/AWGLCA/2009/14). While progress on issues such as adaptation, technology and capacity building was commonly described as satisfactory, many felt that "deep divides" persisted on mitigation and certain aspects of finance.

During AWG-KP 9, discussions continued on all issues in the AWG-KP's work programme. Most felt, however, that no significant progress was made on Annex I parties' aggregate and individual targets, and differences also surfaced between developed and developing countries concerning whether the outcome from Copenhagen should be an amendment to the Kyoto Protocol or a single new agreement under both AWGs. AWG-KP 9 did not conclude consideration of any of the issues in its work programme.

REPORT OF THE MEETING

The fifteenth Conference of the Parties (COP 15) of the United Nations Framework Convention on Climate Change (UNFCCC) and the fifth Conference of the Parties serving as the Meeting of the Parties (COP/MOP 5) of the Kyoto Protocol opened on Monday morning, 7 December. Lars Løkke Rasmussen, Prime Minister of Denmark, said this conference was taking place at a time of unprecedented political will and urged parties to reach an ambitious agreement in order to deliver "hope for a better future."

Ritt Bjerregård, Mayor of Copenhagen, said COP 15 needed to "go very far, very fast" and called on delegates to turn Copenhagen into "Hopenhagen" and to "seal the deal."

Rajendra Pachauri, Chair of the Intergovernmental Panel on Climate Change (IPCC), emphasized that for temperature increase to be limited to between 2.0-2.4°C, global emissions must peak no later than 2015.

UNFCCC Executive Secretary Yvo de Boer said Copenhagen should result in: an agreement on implementation of mitigation, adaptation, finance, technology, reducing emissions from deforestation and forest degradation in developing countries (REDD) and capacity-building actions; ambitious emission reductions commitments and "start-up finance" of around US$10 billion per year; and a shared vision on long-term cooperative action. He emphasized that Copenhagen would be successful only if it delivered significant and immediate action beginning the day the conference concludes.

This report summarizes the discussions by COP 15, COP/MOP 5, the eighth *Ad Hoc* Working Group on Long Term Cooperative Action (AWG-LCA 8), the tenth *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 10), the 31st meeting of the Subsidiary Body for Implementation (SBI) and the 31st meeting of the Subsidiary Body for Scientific and Technical Advice (SBSTA) 31 based on their respective agendas.

COP 15

On 7 December, COP 14 President Maciej Nowicki (Poland) opened COP 15, stressing its critical role in addressing climate change. Parties elected Connie Hedegaard, Minister for the UN Climate Change Conference in Copenhagen 2009, Denmark, as COP 15 President. At the beginning of the high-level segment on 16 December, COP President Hedegaard resigned, and was replaced by Danish Prime Minister Lars L. Rasmussen. Hedegaard assumed the role of the COP President's Special Representative.

COP President Hedegaard stated that the political will to address climate change has never been stronger and said "if we miss this chance, it may take years to get the next one." She emphasized the need for progress during the first week, highlighting that leaders are expecting to adopt a global agreement in 11 days. She called for a comprehensive agreement, delivering on all building blocks and launching immediate action. Finally, she urged parties to "mark this meeting in history" and "get it done."

Sudan, for the Group of 77 and China (G-77/China), called upon parties to observe the principles of good faith, transparency, inclusiveness and openness. He emphasized the need for the Copenhagen agreed outcome to ensure full implementation of developed country party commitments under the Convention.

Algeria, for the African Group, expressed serious concerns with the lack of progress at previous meetings and reminded parties that Africans are already impacted by climate change through increased droughts, health hazards, food scarcity and migration. He called for transparent and equitable negotiations during the high-level segment.

Lesotho, for the Least Developed Countries (LDCs), urged countries not to betray "the expectations of the anxious global population" and highlighted the importance of adaptation, financing, technology and capacity-building support, and underlined the need for contributions to the LDC Fund to finance countries' most immediate adaptation needs.

Grenada, for the Alliance of Small Island States (AOSIS), urged an ambitious outcome responding with the urgency needed and guaranteeing the long-term survival of small island developing states (SIDS), LDCs, and other vulnerable groups. She said a political outcome was inadequate and that AOSIS would "have to consider our options" if a legally-binding outcome is not achieved. She said a final agreement must address emission reductions by all major emitting countries and limit temperature increase to below 1.5°C and atmospheric greenhouse gas concentrations to 350 ppm. She indicated that any agreement should also provide for stable, predictable and adequate financing for adaptation, capacity building, technology and mitigation.

Mexico, for the Environmental Integrity Group, supported a legally-binding outcome agreed by political leaders in Copenhagen and urged the conclusion of negotiations on both tracks ahead of the high-level segment.

Australia, for the Umbrella Group, supported limiting global average temperature increase to 2°C and a 50% reduction in global emissions by 2050. She said all Umbrella Group members are prepared to propose individual reduction targets that will substantially reduce their emissions by 2020, with their actions being subjected to robust monitoring, reporting and verification (MRV). She supported "quick, substantial and high-impact financing to assist the most vulnerable developing countries," particularly LDCs and vulnerable SIDS. She also noted the emerging consensus that a core element of the Copenhagen accord should be mobilization of US$10 billion a year by 2012 to support adaptation and mitigation in developing countries. She suggested that the aim in Copenhagen was to forge a political vision that will guide global actions and lead to a new legally-binding treaty – the Copenhagen accord – as soon as possible.

Sweden, for the European Union (EU), called for an inclusive Copenhagen agreement, encompassing non-Annex I parties, covering all building blocks based on the principles of the Convention. He said the agreement should be translated into a universal, legally-binding agreement in Copenhagen or by a specified time in 2010. He welcomed recent clarification on levels of ambition and urged parties to increase their pledges if possible. The EU highlighted the need for funding in the order of €100 billion annually by 2020 to support adaptation, mitigation, REDD, technology and capacity building. He noted the need for fast-start financing of €5-7 billion to enable immediate action.

ORGANIZATIONAL MATTERS: On 7 December, parties adopted the agenda (FCCC/CP/2009/1 and Add.1). COP President Hedegaard noted recent Convention ratifications by Iraq and Somalia, indicating that this brings the total number of parties to 194 and makes the UNFCCC "a truly universal agreement."

Adoption of rules of procedure: COP President Hedegaard recalled the practice since COP 1 of applying the draft rules of procedure (FCCC/CP/1996/2), with the exception of draft rule 42 on voting. Papua New Guinea opposed, stating that agreement by consensus based on "the lowest common denominator" is "gravely negligent" given the seriousness of climate-change impacts. He supported taking decisions by a majority of two-thirds of parties present and voting. COP President Hedegaard said she would consult on the issue.

On Friday, 18 December, COP Vice-President Mohammad Barkindo (Nigeria) reported that the COP President had consulted on the issue, noting parties maintained their "fundamental positions" and there was no consensus. He therefore proposed that the COP continue to apply the draft rules of procedure with the exception of draft rule 42.

Election of officers other than the COP President: On 7 December, the opening plenary addressed this issue. COP President Hedegaard noted that nominees were still needed for some positions. She said the COP would address this issue once nominations are complete, and that according to the draft rules of procedure being applied, the current bureau members would continue to serve.

On 18 December, parties elected officers other than the President. The COP Vice-Presidents are: Lumumba Stanislaus-Kaw Di-Aping (Sudan); Mohammad Al-Sabban (Saudi Arabia); Rae-Kwon Chung (Republic of Korea); Philip Weech (the Bahamas); Luis Alfonso de Alba Góngora (Mexico); Oleg Shamanov (the Russian Federation); Collin Beck (the Solomon Islands). Andrej Kranjc (Slovenia) was elected as the Rapporteur. The newly-elected SBI Chair is Robert Owen-Jones (Australia) and the newly-elected SBSTA Chair is Mama Konaté (Mali).

Accreditation of observers: On 7 December, delegates agreed to admit the proposed organizations as observers (FCCC/CP/2009/8/Rev.1).

Dates and venues of future sessions: The COP adopted a decision accepting Mexico's offer to host COP 16 and COP/MOP 6 and noted the offer by South Africa to host COP 17 and COP/MOP 7 (FCCC/CP/2009/L.3). The Republic of Korea expressed willingness to host COP 18 and COP/MOP 8 in 2012. The Secretariat noted that Qatar has also offered to host COP 18 and COP/MOP 8. During the closing plenary, the decision contained in document FCCC/CP/2009/L.3 was adopted. In its decision, the COP: decides to hold COP 16 and

COP/MOP 6 from 29 November - 10 December 2010, in Mexico City, Mexico; recalls that COP 17 and COP/MOP 7 will be held from 28 November - 9 December 2011, in South Africa; and invites parties to come forth with offers to hold COP 18 and COP/MOP 8.

Adoption of the report on credentials: Parties approved the credentials (FCCC/CP/2009/10 and FCCC/KP/CMP/2009/20).

REPORT OF THE AWG-LCA: This issue was scheduled to be taken up by the COP plenary on Wednesday, 16 December. In the morning, the COP/MOP plenary took place first, during which COP President's Special Representative Hedegaard outlined plans by the COP Presidency to table a package for the Copenhagen outcome, consisting of two texts "based substantially on the two texts forwarded by the AWGs." Many countries raised points of order, opposing the proposal, especially given that they had not been given the opportunity to consider the AWG-LCA's report and the texts forwarded by it. The COP plenary did not convene until late evening pending informal consultations on how to proceed.

In the evening, COP Vice-President Christiana Figueres Olsen (Costa Rica) opened the COP plenary, noting the historic nature of the process undertaken by the AWG-LCA to fulfill the BAP. She explained that COP President Rasmussen is consulting with parties on how to proceed and that he would inform parties in the morning on the outcome of these consultations. Tuvalu requested clarity on the process moving forward and specifics on how consultations would be conducted. COP Vice-President Figueres Olsen clarified that the COP President is "consulting on how to conduct consultations" and noted that it had been "an extraordinary day" and that the road forward was not clear.

Bangladesh, Tuvalu, Egypt and Guatemala said they had yet to be contacted by the COP President for consultations and noted that they should be inclusive, transparent and include all major groups. Ecuador expressed concern with the final outcome and worried that "basic standards of multilateralism" would be violated. Also Bolivia, Saudi Arabia, Nigeria, Argentina, Venezuela and Pakistan urged openness, transparency and inclusiveness in the consultations, lamenting the lack of transparency so far. Argentina said consultations must be carried out with all countries. Cuba highlighted the need for efficient use of time, noting that the COP plenary had been scheduled for 1:00 pm but had only convened at 10:00 pm.

AWG-LCA Chair Zammit Cutajar then presented the report of the AWG-LCA (FCCC/AWGLCA/2009/L.7/Rev.1, Add.1, Add.2/Rev.1, Adds. 3-7, Add.8/Rev.1 and Add.9). He noted that the main output is a set of conclusions presenting decision text to COP 15, emphasizing that the text does not prejudice the legal nature of the outcome to be adopted by the COP. He stressed that while substantial progress had been made, the text had not been completed, required further work and that, as a package, "nothing is agreed until everything is agreed."

India requested textual changes to make the text more consistent with the Convention, changes to the sections on nationally appropriate mitigation actions (NAMAs) and on financial resources and investment. The Republic of Korea emphasized that some proposals had not yet been discussed in the contact group. Australia urged moving to outstanding issues, saying this should be done at the ministerial level.

Costa Rica welcomed the report of the AWG-LCA and called for an ambitious and legally-binding agreement. The US said that the text posed problems, which were "neither final nor finished" and expressed willingness to work on specifics, noting that the relevant decisions would have "enormous value." Figueres Olsen said that she would convey the general message to the COP President on the need for: quick clarity on the way forward; effective use of time; and an inclusive and transparent process. The COP plenary was suspended at 11:03 pm.

On Thursday morning, 17 December, COP President Rasmussen reconvened the COP. He noted that many parties had sought clarification during the COP plenary on Wednesday evening about the documentary basis for moving forward and also about the method of work to complete the negotiations under the COP and COP/MOP. He said that the documentary basis for the work would be the texts presented by the AWG-LCA Chair to the COP plenary on Wednesday.

COP President Rasmussen proposed forwarding the texts for consideration by a contact group chaired by the COP President's Special Representative Hedegaard. He said the contact group would have a mandate to complete work on unresolved issues within a short deadline and that open-ended drafting groups would be convened, chaired by "people we know well and trust." Sudan, for the G-77/China, requested clarity on the deadline. Rasmussen said the contact groups should decide on the schedule and that he would not define a clear deadline. He then closed the meeting of the COP.

During the contact group meeting in the afternoon, contact group Chair Hedegaard proposed, and parties agreed, to establish open-ended drafting groups on:

- shared vision (FCCC/AWGLCA/2009/L.7/Rev.1), facilitated by Michael Zammit Cutajar (Malta);
- finance (FCCC/AWGLCA/2009/L.7/Add.2/Rev.1), co-facilitated by Farrukh Khan (Pakistan) and Jukka Uosukainen (Finland);
- mitigation (FCCC/AWGLCA/2009/L.7/Rev.1; paragraphs 12-29, but excluding paragraph 23 on a NAMA mechanism), facilitated by Cristian Maquieira (Chile);
- NAMA mechanism (FCCC/AWGLCA/2009/L.7/Add.5), facilitated by Margaret Mukahanana-Sangarwe (Zimbabwe);
- REDD-plus (FCCC/AWGLCA/2009/L.7/Add.6), co-facilitated by Peter Graham (Canada) and Tony La Viña (Philippines);
- various approaches to enhance cost-effectiveness of mitigation actions (FCCC/AWGLCA/2009/L.7/Add.8/Rev.1), facilitated by Christiana Figueres Olsen (Costa Rica);
- adaptation (FCCC/AWGLCA/2009/L.7/Add.1), co-facilitated by Thomas Kolly (Switzerland) and William Kojo Agyemang-Bonsu (Ghana);
- technology (FCCC/AWGLCA/2009/L.7/Add.3), co-facilitated by Kishan Kumarsingh (Trinidad and Tobago) and Kunihiko Shimada (Japan); and
- capacity building (FCCC/AWGLCA/2009/L.7/Add.4), co-facilitated by Fatou Gaye (the Gambia) and Georg Børsting (Norway).

- Chair Hedegaard suggested the contact group reconvene later in the evening to receive an update on progress in drafting groups.

On ***bunker fuels***, Norway and Argentina inquired about addressing emissions from bunker fuels and Hedegaard explained that text would be available in the afternoon. Saudi Arabia noted that this issue had not been captured as a supplementary decision to the core decision. He also asked how response measures would be addressed. Hedegaard confirmed that a facilitator was being sought for the group on response measures. The G-77/China noted that issues under discussion in the various drafting groups had been captured in the AWG-LCA's text on the core decision (FCCC/AWGLCA/2009/L.7/Rev.1) in a way that did not fully reflect the understanding reached in the negotiating groups. She sought assurances that in the interest of transparency, no other processes would define or alter the outcome of the drafting groups.

On ***sectoral approaches***, Egypt noted long discussions on guiding principles and asked for the reinsertion of principles in the text. Uruguay called for the establishment of a drafting group on sectoral approaches in the agriculture sector.

On ***capacity building,*** South Africa stressed that this issue is important for developing countries and highlighted that it would be difficult to discuss capacity building for developed countries in text concerning developing countries. Tanzania, for the G-77/China, called for separate discussions on capacity building for developing countries and countries with economies in transition. The Russian Federation suggested that a compromise proposal should be sought to resolve the issue.

Late in the evening on Thursday, 17 December, the COP contact group reconvened and the drafting group facilitators reported back on progress.

On ***adaptation***, Co-Facilitator Kolly said that the drafting group had reached a better understanding of a Copenhagen adaptation framework or programme, as well as agreement on objectives and principles and some categories of action. Identifying issues to be addressed at a higher level, Kolly highlighted: response measures, the polluter-pays principle, and the concept of historical responsibility.

On ***technology***, Co-Facilitator Kumarsingh reported that parties had agreed on the establishment of a technology mechanism with a technology executive committee and a climate technology center. He said discussions had focused on the functions of these entities and agreement had been reached with some "minor issues" outstanding. Kumarsingh identified issues in need of ministerial intervention as: the reporting line between the committee and center; links between the committee and agreement on finance; and the issue of intellectual property rights.

On ***a shared vision for long-term cooperative action***, Facilitator Zammit Cutajar observed that views had been expressed on human rights, stakeholder participation and a just transition to a new form of production and consumption, which could be addressed through further discussion. He noted discussions on the concept of long-term goals on finance, technology and adaptation, in addition to the long-term global goal on emission reductions. He also identified the need to resolve the issue of review, especially in terms of what is to be reviewed.

On a ***possible NAMA registry or mechanism***, Facilitator Mukahanana-Sangarwe said no agreement had been reached on the establishment of a NAMA registry or mechanism, the functions of such a registry or mechanism, and on whether the registry should be independent from, or part of, the financial mechanism. She said divergent views remained on whether support for NAMAs should come only from developed countries or from both developed and developing countries and identified treatment of autonomous NAMAs as an issue in need of political resolution.

Reporting on ***institutional arrangements for finance***, Co-Facilitator Uosukainen said that the drafting group had addressed the issue of a climate fund or facility, and noted movement on the selection of a trustee for the fund or facility on an interim basis. He said that divergent views remained on the composition and nomination of a finance board and its corresponding functions, explaining that these issues could benefit from political resolution. He also noted that the group lacked time to address the remaining paragraphs on the establishment and functions of the proposed finance board.

On ***capacity building***, Co-Facilitator Børsting identified "difficult outstanding issues" requiring political guidance. He highlighted: institutional arrangements and financial resources for capacity building; indicators for reporting and reviewing capacity-building support; and the provision of capacity building as a legally-binding obligation.

On ***REDD-plus***, Co-Facilitator Graham highlighted outstanding issues relating to financing, relationship to NAMAs and MRV of action and support.

On ***various approaches to enhancing cost-effectiveness of mitigation actions, including markets***, Facilitator Figueres Olsen highlighted two outstanding issues: whether to adopt an option encouraging parties to pursue hydrofluorocarbon (HFC) regulation under the Montreal Protocol on Substances that Deplete the Ozone Layer; and the role of markets and how this role should be structured.

In his report on ***mitigation***, Facilitator Maquieira noted the complexity of the issue, highlighting fixed positions on many paragraphs. He also informed parties of his intention to combine proposals.

Venezuela, with Angola, for the African Group, drew attention to the option of not taking any decision on market approaches, while the US stressed the centrality of market approaches.

Late in the evening of 17 December, the COP contact group began discussing how to move forward. The EU, supported by Japan, Colombia, Canada, the Marshall Islands, Iceland, Australia, Guyana and many others, supported establishing a "friends of the chair" group. Sudan and Bolivia stressed the need for transparency and sought clarification on the establishment of a smaller group. Sudan suggested continuation of discussions in drafting groups. The US, opposed by Brazil, noted the possibility of convening a "friends of the chair" group while continuing with drafting.

South Africa, supported by Grenada, for AOSIS, suggested forwarding issues related to mitigation by developed countries, market approaches and finance to the political level. India, supported by Egypt, said that the Protocol process should take precedence and that the reports from the "friends of the chair" group should go through the COP/MOP or COP before being forwarded to Heads of State.

Bangladesh, for the LDCs, said drafting groups could report back in the morning and issues could then be forwarded to the political level. Mexico supported working in a "friends of the chair" format, provided the group discusses only political issues. New Zealand stressed

the need to continue working through a smaller group with higher-level representation.

Following brief consultations, contact group Chair Hedegaard recommended that the majority of drafting groups continue with their work, especially those that had reported that it would be meaningful to do so. She also proposed convening a "friends of the chair" group to address political issues on mitigation by developed countries, market approaches and finance.

The G-77/China said that a "friends of the chair" group would have to be open-ended and allow negotiating groups to select their representatives. Venezuela reiterated that a non-inclusive approach was unacceptable because of divergent views within groups on certain issues. Emphasizing the late hour, COP President's Special Representative Hedegaard closed the meeting and asked the drafting groups on all issues to continue their work.

At 3:00 am on Friday 18 December, the contact group reconvened to take stock of work in the drafting groups. Most groups had not achieved much progress. However, progress was reported on cooperative sectoral approaches in the agricultural sector and technology transfer. Many groups stressed that further political guidance was necessary to achieve agreement.

During the closing COP plenary on Saturday afternoon, parties adopted a decision on extending the AWG-LCA's mandate. They also agreed to elect Margaret Mukahanana-Sangarwe (Zimbabwe) as the AWG-LCA Chair, Daniel Reifsnyder (US) as the AWG-LCA Vice-Chair and Teodora Obradovik-Grncarovska (Macedonia) as Rapporteur.

COP Decision: In its decision (FCCC/CP/2009/L.6), the COP:

- decides to extend the mandate of the AWG-LCA to enable it to continue its work with a view to presenting the outcome to COP 16 for adoption;
- requests the AWG-LCA to continue its work drawing on the report of the AWG-LCA presented to COP 15, as well as work undertaken by the COP on the basis of the report; and
- mandates the host country of the next session of the COP to make the necessary arrangements in order to facilitate work towards the success of the session.

PROPOSED PROTOCOLS UNDER CONVENTION ARTICLE 17: This item was first considered by COP plenary on Wednesday, 9 December. COP President Hedegaard indicated that proposals relating to adoption of new protocols under the Convention had been received from five countries: Australia, Costa Rica, Japan, Tuvalu and the US (FCCC/CP/2009/3-7). The proponents then outlined their proposals.

India, China, Saudi Arabia and others opposed a new protocol. China urged a focus on implementing the existing commitments under the Convention and Protocol and adopting an ambitious outcome under the Bali Roadmap and BAP.

COP President Hedegaard proposed establishing a contact group on this item. This was supported by Grenada, for AOSIS, as well as Barbados, Tuvalu, Costa Rica, Belize, Bahamas, Senegal, Kenya, Solomon Islands, Cook Islands, Palau and the Dominican Republic. However, Saudi Arabia, with India, Venezuela, Algeria, Kuwait, Oman, Nigeria, Ecuador and China, opposed a contact group and preferred that the COP President or a Vice-President hold informal consultations. COP President Hedegaard indicated that in the absence of consensus on forming a contact group, she had no option but to consult informally. Tuvalu, supported by AOSIS, argued that this agenda item required formal consideration, and proposed suspending the COP until the issue is resolved. Following informal consultations, President Hedegaard reported back in the evening that consultations on the issue would continue and that she would report back to the COP plenary on 10 December.

The next time the issue was taken up by the COP plenary was on Saturday, 12 December. COP President Hedegaard said consultations had been held on how to proceed on the agenda item on proposals for new protocols under Convention Article 17. Tuvalu reiterated the "strong plea" for two legally-binding protocols as the outcome from Copenhagen and insisted that an option to sign a legally-binding agreement in Copenhagen be put to the ministers. COP President Hedegaard responded that "no option will be taken off the table."

During the closing COP plenary on 19 December, Vice-President Colin Beck noted that the COP President conducted informal consultations on this issue. He said, however, that no consensus was reached on how to proceed and, therefore, the proposed protocols will automatically be included on the COP 16 agenda.

MALTA'S PROPOSAL TO AMEND CONVENTION ANNEX I: This issue was first taken up by the COP plenary on Wednesday, 9 December when Malta outlined its proposal to join Annex I (FCCC/CP/2009/2), noting that by joining the EU in 2004 it has taken on responsibilities in line with those of Annex I parties. The proposal was then considered during informal consultations facilitated Stephen de Boer (Canada).

On 18 December, the COP plenary adopted a decision to include Malta in Convention Annex I (FCCC/CP/2009/L.2). Malta expressed his thanks to the COP for adopting the decision.

REPORTS OF THE SUBSIDIARY BODIES: On 18 December, the COP closing plenary adopted the reports of SBSTA 30 and 31 (FCCC/SBSTA/2009/3 and Add.1; FCCC/SBSTA/2009/L.13) and of SBI 30 and 31 (FCCC/SBI/2009/8 and Add.1; FCCC/SBSTA/2009/L.17).

On 18 December, the COP also took note of SBI conclusions on: the Special Climate Change Fund (FCCC/SBI/2009/L.31); Annex I national communications (FCCC/SBI/2009/L.26); technology transfer (FCCC/SBI/2009/L.18), Buenos Aires Programme of Work on Adaptation and Response Measures (decision 1/CP.10) (FCCC/SBI/2009/L.28); and LDCs (FCCC/SBI/2009/L.27). The COP also took note SBSTA conclusions on technology transfer (FCCC/SBSTA/2009/L.14).

Conclusions adopted by the SBSTA and SBI are summarized under the respective headings. Draft decisions forwarded to the COP and subsequent actions are summarized under the relevant COP agenda items.

REVIEW OF IMPLEMENTATION OF COMMITMENTS AND OTHER CONVENTION PROVISIONS: Financial Mechanism: *Fourth Review of the Financial Mechanism:* On 18 December, the COP adopted a decision on the fourth review of the financial mechanism referred to it by the SBI.

COP Decision: In its decision (FCCC/SBI/2009/L.29), the COP requests the SBI to continue its consideration of the fourth review of the financial mechanism at SBI 32, with a view to recommending a draft decision for adoption by COP 16. The COP also decides to

complete the consideration of the fourth review of the financial mechanism at COP 16.

***Report by the Global Environment Facility (GEF)*:** On 18 December, the COP adopted a decision on further guidance to the GEF.

COP Decision: In its decision (FCCC/SBI/2009/L.30), the COP requests the SBI to continue its consideration of additional guidance to the GEF at SBI 32 with a view to recommending a draft decision for adoption by COP 16.

National Communications: *Non-Annex-I National Communications:* On 18 December, the COP adopted a decision forwarded by SBI 30 on reconstituting the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE) (FCCC/SBI/2009/8/Add.1). Brazil, for the G-77/China, welcomed the adoption of a decision on the CGE.

Capacity Building under the Convention: On 18 December, the COP adopted a decision on capacity building under the Convention, as forwarded by the SBI.

COP Decision: In its decision (FCCC/SBI/2009/L.19), the COP: requests the SBI to continue its consideration of the second comprehensive review of the implementation of the capacity-building framework in developing countries at SBI 32, with a view to preparing a draft decision on the outcome of this review for adoption by COP 16, and decides to complete the consideration of the review at COP 16.

REDD: On 18 December, the COP adopted a decision on REDD, as annexed to the SBSTA conclusions (FCCC/SBSTA/2009/L.19/Add.1).

***COP Decision*:** In its decision, the COP, among other things:

- requests developing countries to, *inter alia*, identify drivers of deforestation and forest degradation, use the most recent IPCC guidance to estimate emissions and establish national forest monitoring systems;
- encourages capacity-building support from all able parties to support capacity building in developing countries;
- encourages development of guidance for indigenous peoples and local community engagement;
- recognizes that forest reference emission levels should take into account historic data, and adjust for national circumstances; and
- urges coordination of efforts.

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance in 2008-2009: On 18 December, the COP adopted a draft decision as forwarded by the SBI.

COP Decision: In its decision (FCCC/SBI/2009/L.21/Add.1), the COP, *inter alia*: calls upon parties that have not paid their contributions to the core budget to do so without delay; and reiterates its appreciation to the Government of Germany for its annual voluntary contribution to the core budget of €766,938 and its special contribution of €1,789,522 as host country for the Secretariat. The COP, on continuing review of the functions and operations of the Secretariat, agrees that SBI 33 will consider this matter.

Budget for 2010-2011: This decision was forwarded from SBI 30 and adopted on 18 December by the COP.

COP Decision: In its decision (FCCC/SBI/2009/L.9/Add.1), the COP, *inter alia*: decides that the programme budget shall be calculated in Euros; and approves the programme budget for the biennium 2010-2011, amounting to €44,200,099.

OTHER MATTERS REFERRED TO THE COP BY SUBSIDIARY BODIES: In its closing plenary on 18 December, the COP adopted the draft conclusions as contained in the recommendations by the SBSTA (FCCC/SBSTA/2009/L.16/Add.1), where it expresses appreciation for the decision by the World Meteorological Organization (WMO) and its partner organizations for establishing a Global Framework for Climate Services.

The COP also adopted a draft decision on the updated training programme for greenhouse gas inventory review experts, as contained in FCCC/SBSTA/2009/3/Add.1.

CLOSING PLENARY: The closing plenary convened at 3:00 am on Saturday, 19 December 2009. COP President Rasmussen noted that hours of "intense negotiation" had paid off and that he had mobilized support for a "Copenhagen Accord" developed by a "representative group of leaders." He proposed that the COP adopt this Accord. He then suspended the COP and opened COP/MOP 5, where he also introduced the Accord. He requested that parties read the text, consult on this for one hour and then return with a decision on whether or not they wanted to accept the proposal.

Parties objected to closing the meeting, with several raising points of order. Tuvalu said that in the UN system, nations large and small, are given respect and that the public announcement of a deal before bringing it before the meeting of the COP was disrespectful of the process and the UN system. He highlighted major problems with the political agreement, saying it, *inter alia,* lacked a scientific basis, international insurance mechanism, and guarantees on the continued existence of the Kyoto Protocol. He emphasized the importance of acting urgently and said that despite being offered financing "to betray our people and sell our future, our future is not for sale." Tuvalu stressed that he could not accept the document.

Venezuela expressed indignation at the lack of respect for sovereign nations. Bolivia, supported by Cuba, took offense at being given 60 minutes to decide on the "lives of millions of people," as well as at the non-democratic process and imposition of the agreement. Costa Rica noted that in the absence of a consensus on the Accord, at most it could be issued as an information (INF) document. Nicaragua requested that: the "Copenhagen Accord" be treated as a submission from those parties who negotiated it and issued as a miscellaneous (MISC) document; the COP and COP/MOP be suspended rather than concluded so that the AWGs' original mandates could continue; and a decision be taken to "mandate inclusive and transparent consultations, as appropriate" by the host country of the next session.

After consulting, COP President Rasmussen proposed reissuing the document as a MISC document and indicating in the document the countries that had submitted it, if Nicaragua would withdraw its proposal to suspend the COP and COP/MOP. Nicaragua agreed and withdrew the proposal.

India noted that COP President Rasmussen should obtain permission from the relevant countries before including their names on the

re-issued document. He objected to issuing it as a MISC document, because it was negotiated by his Head of State.

Sudan condemned the document, stressing that it threatens the lives and livelihoods of millions of people in developing countries, including the African continent. He referred to the financial commitment of US$100 billion in the document as "a bribe," saying that a commitment to 2°C would ask Africa to "sign an incineration pact" and was based on values that "tunneled 6 million people in Europe into furnaces." The UK, Mexico, Canada, Grenada, Norway, the EU and others called on Sudan to withdraw his offensive references to the Holocaust.

The Maldives expressed support for the document, while noting his reservation to certain elements contained in it, such as the failure to agree to limit temperature increase to below 1.5°C. He stressed the document could serve as a basis to continue negotiations and result in a legally-binding instrument by 2010.

The EU, Lesotho, for the LDCs, the Russian Federation, the Philippines, Singapore, Ethiopia, for the African Union, Algeria, for the African Group, Japan and many other developed and developing countries also supported the Copenhagen Accord, with several parties noting that it was a compromise document. Papua New Guinea noted that some G-77/China parties sent "public servants" to negotiate the Accord instead of their Heads of State or Government, and that these officials were to blame for "striking a lot of substance out of the document." The US noted broad participation of about 30 countries in the development of the document.

Grenada, for AOSIS, noted that their Prime Minister had participated in the negotiations, together with the US, UK, Russian Federation, Mexico, the Maldives, Algeria, India, the Republic of Korea, Lesotho, China, Brazil, Sweden, Spain, Ethiopia and other developed and developing country parties as well as UN Secretary-General Ban Ki-moon. She said that the process of development of this document was "sincere and legitimate" and that she "stands by the document and process."

Norway emphasized that leaders had made a great effort to negotiate an acceptable outcome and said countries should take "one step forward, rather than two steps back," despite desiring a much higher level of ambition. He objected to categorizations of financing as a "bribe" when it had been requested by developing countries in the first place.

Australia expressed astonishment at the manner in which those who had been at the table had portrayed the negotiation of the draft decision. Bolivia reiterated the flaws in the document, including lack of effective commitments, and she called for: a 1°C temperature rise limit; contributions of 6% of developed country GDP to the Adaptation Fund; and a 49% reduction in greenhouse gases by 2020.

The UK outlined a choice between either putting into place fast-start financing, long-term public and private finance, and responsibilities for mitigation, or "wrecking the Conference" by passing the document as an INF. He called for parties to adopt the Accord as a COP decision.

Supporting the Accord, Senegal acknowledged that the draft decision was a compromise and expressed concern that reference to binding commitments in the second commitment period was missing.

Ethiopia, for the African Union, supported the Accord and noted that the discussion was multilateral. Tuvalu intervened again, asking parties to accept the flaws in the Accord and for it to be adopted as a MISC document. Noting that the draft decision was not perfect, France emphasized that it could be improved and give an impetus to work towards a legally-binding instrument to combat climate change. He said that his country had fought for the inclusion of reference to 1.5°C.

Algeria, for the African Group, thanked the thousands of people who have worked over the last two years to make Copenhagen a success. He noted that the document was freely and democratically submitted to the African Group and that it enjoys the Group's support, including that of five Heads of State.

Venezuela stressed that only 25 out of 192 countries took part in the preparation of the Accord, with only 14 developing countries. She also noted that the parties did not give a mandate to the COP Presidency to negotiate the Accord. She said that the document should be issued as a MISC document and discussed in that way. Cuba called the suggestion of "money for adoption of the Accord" a form of "blackmail." Bolivia proposed adopting it as a MISC document and listing those countries that participated in its development. She expressed readiness to work on the basis of these texts, but said they do not want anything imposed on them.

Lesotho, for the LDCs, acknowledged that the Accord is a compromise and does not go far enough, but that further work should be conducted to improve it. Saudi Arabia said that they participated in the negotiation of the Accord. Noting that it was "the worst COP plenary" he had ever attended, he said that there was no consensus and that parties were simply restating their positions. He suggested accepting the reality and asked that a procedural solution be found to move forward.

The UK proposed adopting the document as a COP decision and allowing the proper recognition of those countries who objected. He noted that Slovenia had earlier suggested there was a UN precedent for this approach. The Maldives stated that his country was one of those most at risk and pleaded for "our developing country friends to keep the document alive." Sweden, for the EU, expressed support for the Maldives, noting that the draft decision was a compromise. The Bahamas, supported by the UK, stressed that the document, negotiated by leaders, was important and that a mechanism needed to be found so that the financial offers could be operationalized.

President Rasmussen reminded the parties that UN consensus decision-making would not allow the document to be adopted and that, since other proposals were unacceptable to the parties, it could not be passed. The UK moved for an adjournment.

At 8:03 am, COP President Rasmussen suspended the COP plenary. A number of informal consultations to resolve the matter were held on the floor, with the participation of UN Secretary-General Ban Ki-moon.

At 10:35 am, COP Vice-President Philip Weech (Bahamas) proposed the COP adopt a decision that "takes note" of the Copenhagen Accord of the 18th of December of 2009. He then read out the decision text, indicating that the Accord would be attached to this decision and the names of parties that support the Accord would be listed in the chapeau to the Accord. Parties agreed to the proposal.

The US recognized that since "five or six parties" were not in favor of the Accord, no consensus was reached. He stressed that the process was, however, consistent with the Convention and, as it constitutes an "optional decision," invited parties to associate with the Accord and asked the Secretariat to formalize a procedure to achieve this.

Lengthy discussions took place during the morning and afternoon, with parties raising questions concerning, *inter alia,* procedures for

acceding to the Accord. In response, the Secretariat specified that there would be an attachment to the text of the Copenhagen Accord, as contained in document FCCC/CP/2009/L.7. He said the chapeau would be modified to include a list of countries that associate themselves with the Accord. The Secretariat also noted that since there was no official list of countries who participated in the negotiations of the Accord, it would be preferable to have a procedure whereby countries wishing to do so can associate themselves with the Accord.

Many countries, including the EU, Australia, Barbados, Japan, Costa Rica and the Russian Federation, expressed support for the Accord. Senegal supported clarity on accession to the Accord and said that if a country rejects the Accord, they should not have access to its funds.

China said he was not sure about the legal significance of associating with something that was not negotiated, saying the text had been negotiated by a "very small group." He also proposed referring to the title of the Accord rather than to the document number (FCCC/CP/2009/L.7), which was not adopted. The Secretariat replied that reference to the document number had been for clarity and was not part of the decision text.

South Africa pointed out that, technically, the COP decision had been adopted during the COP/MOP plenary and requested that the record be corrected so that the decision is under the COP, rather than the COP/MOP. He also made a request to note that the Accord took place outside of the UNFCCC process and proposed that parties submit their intended support of the Accord in the record of the session.

Australia, supported by Canada, requested the parties to implement the Copenhagen Accord pursuant to Convention Article 7.2(c) (Conference of the Parties). Indonesia, Norway, Australia, the EU and others also supported that the COP facilitate implementation of the Copenhagen Accord under Convention Article 7.2(c). China said reference to Convention Article 7.2(c) is not appropriate since it concerns measures "adopted by parties." Venezuela and Bolivia also opposed referencing Convention Article 7.2(c). Saudi Arabia said reference to Convention Article 7.2(c) is not possible since the item was not on the COP agenda but, if there was consensus, it could be on the agenda of COP 16.

The US stressed that all the leaders in the room had agreed to the Accord and said he would be curious to know how countries who were present in the room but contest the agreement understood language indicating that parties "have agreed."

UN Secretary-General Ban Ki-moon expressed gratitude to the Danish Prime Minister for his leadership, perseverance and patience. He described the Copenhagen Accord as a significant step towards a global agreement to reduce and limit greenhouse gas emissions, and urged immediate implementation and transformation into a legally-binding agreement by 2010. He called for launching the Copenhagen Green Climate Fund immediately in order to "jump-start" clean energy growth in developing countries. He also urged parties to "pursue the road of higher ambition rather than the path of least resistance."

COP Decision: The decision adopted by the COP takes note of the Copenhagen Accord, which is attached to the decision. The Accord's preamble:

- notes that they pursue the ultimate objective of the Convention;
- states that they are guided by the principles and provisions of the Convention;
- notes the results of work done by the two AWGs;
- endorses the decisions by the COP and COP/MOP to extend the mandate of the AWGs; and
- indicates that parties have agreed to the Accord, which is "operational immediately."
- The Accord contains a placeholder for the list of parties wishing to associate themselves with it.

The operative text:

- identifies climate change as one of "the greatest challenges of our time" and emphasizes "strong political will" to urgently combat climate change in accordance with the principle of common but differentiated responsibilities and respective capabilities;
- agrees that deep cuts in global emissions are required according to science and as documented by the IPCC Fourth Assessment Report, with a view to reducing global emissions in order to limit the increase in global temperature to below 2°C;
- states that parties should cooperate in achieving the peaking of global and national emissions as soon as possible, recognizing that the time frame for peaking will be longer in developing countries;
- states that adaptation to the adverse effects of climate change and the potential impacts of response measures is a challenge faced by all countries, and that enhanced action and international cooperation on adaptation are urgently required in developing countries, especially in the LDCs, SIDS and Africa. They also agree that developed countries shall provide adequate, predictable and sustainable financial resources, technology and capacity building to support adaptation actions;
- provides that Annex I parties commit to implement, individually or jointly, quantified economy-wide emission targets for 2020, to be submitted in the format given in Appendix I to the Secretariat by 31 January 2010 for compilation in an INF document. Protocol Annex I parties will thereby further strengthen the emission reductions initiated by the Protocol. Delivery of reductions and financing by developed countries will be monitored, reported and verified in accordance with existing and any further guidelines adopted by the COP;
- states that non-Annex I parties to the Convention will implement mitigation actions, including those to be submitted to the Secretariat in the format given in Appendix II by 31 January 2010, for compilation in an INF document. LDCs and SIDS may undertake actions voluntarily and on the basis of support. Mitigation actions shall be communicated through national communications every two years. Unsupported actions will be subject to domestic MRV, with provisions for international consultations and analysis under clearly-defined guidelines that will ensure that national sovereignty is respected. Supported NAMAs will be subject to international MRV;

- recognizes the crucial role of reducing emissions from deforestation and forest degradation and the need to enhance removals of greenhouse gas emissions by forests, and agrees on the need to provide positive incentives to such actions through the immediate establishment of a mechanism including REDD-plus, to enable the mobilization of financial resources from developed countries;

- decides to pursue various approaches, including opportunities to use markets, to enhance the cost-effectiveness of, and to promote mitigation actions;

- states that the collective commitment by developed countries is to provide new and additional resources, including forestry and investments through international institutions, approaching US$30 billion for the period 2010-2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized for the most vulnerable developing countries, such as the LDCs, SIDS and Africa. Developed countries also commit to a goal of jointly mobilizing US$100 billion a year by 2020 to address the needs of developing countries, with funding coming from a wide variety of sources;

- establishes a high-level panel under the guidance of, and accountable to, the COP to study the contribution of the potential sources of revenue, including alternative sources of finance, towards meeting this goal;

- decides that the Copenhagen Green Climate Fund shall be established as an operating entity of the financial mechanism of the Convention to support projects, programmes, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity building, technology development and transfer;

- decides to establish a Technology Mechanism to accelerate technology development and transfer in support of adaptation and mitigation that will be guided by a country-driven approach and be based on national circumstances and priorities;

- calls for an assessment of the implementation of this Accord to be completed by 2015. This would include consideration of strengthening the long-term goal referencing various matters presented by the science, including in relation to temperature rises of 1.5°C.

The Accord also contains two appendices with blank tables to fill on Annex I parties' quantified economy-wide emission targets for 2020 and NAMAs by developing country parties.

ADOPTION OF THE REPORT: The COP then adopted the report of the session (FCCC/CP/2009/L.1). The COP also adopted a resolution expressing gratitude to the host country (FCCC/CP/2009/L.4 and FCCC/KP/CMP/2009/L.5). Mexico thanked Denmark for hosting the Conference, saying delegates were received and welcomed by "warm people" and expressed gratitude to the Government and people of Denmark, especially the city of Copenhagen.

COP Vice-President Beck closed the meeting at 2:14 pm on Saturday, 19 December.

COP/MOP 5

COP/MOP President Connie Hedegaard opened COP/MOP 5 on Monday, 7 December. Delegates adopted the agenda (FCCC/KP/CMP/2009/1 and Add.1) and agreed to the organization of work.

Sudan, for the G-77/China, stressed that the core mandate of the ongoing negotiations is to define ambitious quantified emission reduction targets for future commitment periods. He emphasized the "huge" gap between Annex I emission reduction pledges and what is required by science, and said negotiations should result in separate agreements under the AWG-KP and AWG-LCA.

Australia, for the Umbrella Group, called for bold action and a strong legally-binding outcome that provides clarity on rules for the flexibility mechanisms and for land use, land-use change and forestry (LULUCF). He stated that the negotiations under the Protocol provide a foundation for a single new legally-binding treaty.

Grenada, for AOSIS, highlighted the Protocol as a central part of the climate change architecture and emphasized that its institutions must be reaffirmed and strengthened through ambitious emission reduction targets for the second and subsequent commitment periods, consistent with the science.

Lesotho, for the LDCs, said the Protocol is the only instrument in place to harmonize efforts to reduce emissions of greenhouse gases and stressed that the AWG-KP should be "steered away from" the AWG-LCA to maintain the distinction between the two tracks.

Switzerland, for the Environmental Integrity Group, called for a follow-up agreement to the Protocol in order for industrialized countries to continue, and to intensify, their emission reduction commitments. He called on all Annex I countries to take the lead in achieving the 2°C objective.

Sweden, for the EU, highlighted the need to arrive at an effective agreement in Copenhagen. He stressed that although the Protocol has been the primary tool for combating climate change since 1997, Copenhagen should result in a global, ambitious and comprehensive agreement that is more inclusive than the Protocol. He said developed countries should cut their emissions by 30% below 1990 levels by 2020 and that economically-advanced developing countries should take appropriate actions according to their responsibility and capacity.

REPORT OF THE AWG-KP: The COP/MOP plenary convened on Wednesday, 16 December to consider the report of the AWG-KP. AWG-KP Chair John Ashe (Antigua and Barbuda) presented the AWG-KP's report (FCCC/KP/AWG/2009/L.15), explaining that the AWG-KP had met in contact groups considering Annex I emission reductions, other issues and potential consequences. He underscored significant progress but regretted that parties were unable to reach agreement on amendments to the Kyoto Protocol. He expressed confidence that the COP/MOP would take appropriate action on the text developed by the AWG-KP. Tuvalu expressed "extreme disappointment" with lack of progress under the AWG-KP and, opposed by India, urged consideration of parties' proposals for Protocol amendments as "a lifeboat for a sinking process." South Africa, for the G-77/China, supported by India, the Philippines, China, Algeria, for the African Group, Oman and Zambia, requested further time to resolve outstanding technical issues in the AWG-KP's text. The EU noted that the text was "well developed" and that political choices must now be made. COP/MOP President Hedegaard then outlined plans by the COP Presidency to table a package for the outcome, consisting of two texts that are "based substantially on the two texts forwarded by the AWGs." She said the texts would be available shortly. Many parties objected to the tabling of these texts, and stating that only the texts developed by the parties should form the basis of further work.

The COP/MOP plenary then re-convened on Thursday, 17 December. COP/MOP President Rasmussen said the documentary basis for work will be the texts presented by the AWG-KP Chair to the COP/MOP. He proposed, and parties agreed, to establish a contact group chaired by COP/MOP President's Special Representative Connie Hedegaard. He said the contact group would have a mandate to complete work on unresolved issues with a short deadline and that open-ended drafting groups would be convened, chaired by "people we know well and trust." Sudan, for the G-77/China, requested confirmation that the process would result in two separate documents and that no document that had not been agreed by the parties would be forwarded to the Heads of State and Government. COP/MOP President Rasmussen confirmed that negotiations will continue under two tracks and that the output will be two documents.

During the first meeting of the contact group, Chair Hedegaard explained that the contact group's mandate is to prepare the outcomes of Copenhagen emerging from the Protocol negotiating track and that the work of the group would be based on the text forwarded by the AWG-KP to the COP/MOP. She then proposed establishing five drafting groups on:

- Annex I emission reductions, co-facilitated by Gertraud Wollansky (Austria) and Leon Charles (Grenada);
- LULUCF, co-facilitated by Marcelo Rocha (Brazil) and Bryan Smith (New Zealand);
- flexibility mechanisms, facilitated by Harald Dovland (Norway);
- basket of methodological issues, also facilitated by Harald Dovland; and
- potential consequences, co-facilitated by Mama Konaté (Mali) and Andrew Ure (Australia).

Chair Hedegaard noted that the facilitators are the same ones that chaired the respective negotiations under the AWG-KP. She encouraged parties to identify issues that can be resolved at the expert level and those that need to be addressed at the political level.

Later that evening, the COP/MOP contact group convened to take stock of progress made during the afternoon and evening. Co-Facilitator Charles said that the group on Annex I emission reductions had discussed the draft COP/MOP decision and noted that there were still differences on several technical issues, including base years and the length and number of commitment periods. He identified issues requiring political attention: addressing surplus Assigned Amount Units (AAUs); the question of how to populate Annex B with quantified emission limitation or reduction objectives (QELROs), or in the absence of agreement on a Protocol amendment in Copenhagen, how to reflect pledges moving forward; and a core decision defining further work if it were to continue due to lack of agreement at this time. Facilitator Dovland reported on work on methodological issues. He noted constructive discussions but said different views remained on the inclusion of new greenhouse gases and global warming potentials (GWPs).

On the flexibility mechanisms, he noted disagreement on: carbon capture and storage (CCS) under the Clean Development Mechanism (CDM); standardized baselines; share of proceeds; supplementarity; and regional distribution of CDM projects.

On LULUCF, Co-Facilitator Rocha highlighted that many parties preferred not to adopt a land-based approach at this time. He identified the need for further work on a possible cap for forest management. He said that further improvements to the text could be made but that choosing between options and addressing cross-cutting issues would facilitate consensus text.

On potential consequences, Co-Facilitator Ure noted impressive progress and flexibility, highlighting that consensus language had been reached on all issues except on the creation of a permanent forum to address potential consequences.

Chair Hedegaard then asked for parties' views on how to proceed. The EU recommended establishment of a "friends of the chair" group. South Africa, for the G-77/China, noted that significant progress on LULUCF may facilitate progress on Annex I emission reductions and that issues on the flexibility mechanisms and methodologies, in turn, could be unlocked by movement in Annex I emission reductions. He noted that "time is ripe" for informal consultations, but requested that such a group report back to the contact group in order to maintain construction of a party-driven consensus. Costa Rica, Papua New Guinea, Grenada, for AOSIS, the Gambia, for the African Group, Colombia, Guatemala, Lesotho, for the LDCs, and Australia supported the proposal to establish a "friends of the chair" group. Hedegaard said she will consult with parties on how to proceed with establishment of a "friends of the chair" group and closed the contact group meeting.

During the COP/MOP closing plenary on Saturday, 19 December, informal consultations took place on a draft COP/MOP decision to extend the AWG-KP's mandate. South Africa, supported by Algeria, proposed amending the decision to include reference to adoption of amendments pursuant to Protocol Article 3.9. The EU, Canada and Japan opposed. The COP/MOP was suspended to allow for informal consultations on this issue, and upon being reconvened, the Secretariat announced that the text would remain unchanged. The COP/MOP eventually agreed to extend the AWG-KP's mandate.

COP/MOP Decision: In its decision (FCCC/KP/CMP/2009/L.8), the COP/MOP: welcomes the progress of the AWG-KP on its work pursuant to decision 1/CMP.1 (Consideration of commitments for subsequent periods for Convention Annex I Parties under Protocol Article 3.9); requests the AWG-KP to deliver the results of its work pursuant to decision 1/CMP.1 for adoption by COP/MOP 6; requests the AWG-KP to continue its work drawing on the draft text forwarded as part of the report of its tenth session to COP/MOP 5 (FCCC/KP/AWG/2009/L.15); and mandates the host country for COP/MOP 6 to make the necessary arrangements to facilitate the work towards the success of that session.

REPORTS OF THE SUBSIDIARY BODIES: On 18 December, the COP/MOP adopted the reports of SBSTA 30 and 31 (FCCC/SBSTA/2009/3; FCCC/SBSTA/2009/L.13) and of SBI 30 and SBI 31 (FCCC/SBI/2009/8 and Add.1; FCCC/SBI/2009/L.17 and Add.1). The COP/MOP plenary took note of SBI conclusions on: Annex I national communications and greenhouse gas inventory data (FCCC/SBI/2009/L.26); reporting and review of information from Annex I parties under the Protocol (FCCC/SBI/2009/L.23); annual compilation and accounting report for Protocol Annex B parties (FCCC/SBI/2009/L.24); and Protocol Article 3.14 (adverse effects and impacts of response measures) (FCCC/SBI/2009/L.25). The COP/MOP plenary also took note of SBSTA conclusions on Protocol Article 2.3 (adverse effects of policies and measures) (FCCC/SBSTA/2009/L.18).

Conclusions adopted by the SBSTA and SBI are summarized under the respective headings. Draft decisions forwarded to the COP/MOP and subsequent actions are summarized under the relevant COP/MOP agenda items.

PROPOSALS FOR PROTOCOL AMENDMENTS: This issue (FCCC/KP/CMP/2009/2-13) was first taken up by the COP/MOP plenary on

Thursday, 10 December. The Secretariat explained that proposals had been received from: Australia; Belarus; Bolivia, for several countries; Colombia; Japan; the EU; New Zealand; Papua New Guinea; the Philippines; China, for several non-Annex I countries; and two from Tuvalu. Tuvalu, supported by Grenada, for AOSIS, stressed the Protocol's importance now and in the future and elaborated on its two proposals to amend the Protocol. Australia emphasized that her country needs more than a Protocol amendment from Copenhagen. She said a unified protocol would have certain advantages but that an outcome with two protocols is possible if they are linked as a package. The EU stressed its commitment to safeguarding the Kyoto Protocol's key elements. He said the AWG-KP process allows for comprehensive consideration of issues raised by the amendment proposals and underlined that a decision on Protocol amendments must be taken in the context of an overall agreement. Japan emphasized that the intention is not to ignore and bury the Kyoto Protocol, but "to expand the scope of responsibility and construct an expanded and more durable vehicle on the Kyoto foundation."

Ethiopia, for LDCs, said the issue is a controversial one as it is being discussed under both the AWG-KP and the COP/MOP. He expressed willingness to consider the issue in a contact group to see if the proposals contain ambitious targets and promote LDCs' interests. Brazil, supported by many developing countries, noted a proposal by 35 countries to amend Protocol Annex B based on the mandate in Protocol Article 3.9 (Annex I parties' further commitments). Many developing countries stressed that the most important task of COP/MOP 5 is to adopt a Protocol amendment to inscribe new commitments for developed countries in Annex B based on the mandate in Protocol Article 3.9. Some developing countries also highlighted the Kyoto Protocol as the only legally-binding instrument to mitigate climate change, urged continuing it in the second commitment period and opposed attempts to "kill" or supersede it, or make it redundant. Others also underscored continuation of the Protocol as a condition for an outcome in Copenhagen. Egypt, supported by several developing countries, said elements of the proposed Protocol amendments have also been submitted under the Convention and the AWG-LCA, lamented this "triplication" of efforts and urged focusing on "the real thing."

New Zealand said her country's preference is a single and unified post-2012 legal outcome that avoids duplication of efforts and institutions. Without prejudice to this, she said her country has proposed Protocol amendments, envisaging the Kyoto Protocol as part of a fully integrated package with a legally-binding outcome under the Convention. Bolivia outlined a proposed Protocol amendment, emphasizing that developed countries have "expropriated more than their fair share of the earth's environmental space." She called for strong efforts by developed countries to reduce their over-pollution and over-consumption. Papua New Guinea agreed with the focus on Protocol Article 3.9, but supported by others, called for also considering forest issues and REDD. Colombia also noted her country's proposals to amend other aspects of the Protocol and expressed interest in discussing other countries' proposals. Tuvalu emphasized that unlike the AWG-KP's mandate, this agenda item relates to Protocol Article 20 under which any party may propose amendments. He stressed that if unable to reach consensus, the COP/MOP may take a decision by a three-quarters majority of parties present and voting.

On the way forward, COP/MOP President Hedegaard noted that many countries had supported establishing a contact group while many others preferred focusing on the AWG-KP. She proposed that AWG-KP Chair Ashe consult on the way forward and report back to the COP/MOP on Saturday, 12 December. Tuvalu, supported by Grenada, Kiribati, El Salvador, Costa Rica, the Cook Islands, the Marshall Islands, Palau and Belize, stressed the importance of the issue, urged its proper substantive consideration through a contact group and said delaying the issue until Saturday would not allow this. China, supported by Venezuela, Papua New Guinea, United Arab Emirates, Brazil, Nigeria and Bahrain, expressed sympathy for Tuvalu's proposal, but opposed discussing proposed Protocol amendments that "do not enhance the Protocol." He said issues such as share of proceeds and compliance could be discussed further, and suggested that: proposals related to Protocol Article 3.9 be referred to the AWG-KP; and a "limited number" of other proposals be selected for discussion under this agenda item. The EU opposed limiting issues for further consideration, identifying the need to reflect all proposals. The COP/MOP was then suspended for informal discussions. COP/MOP President Hedegaard subsequently reported that no solution had been found and suspended the meeting.

During the COP/MOP plenary on Saturday, 12 December, President Hedegaard noted ongoing consultations on how to proceed with the proposed Protocol amendments. Tuvalu stressed that their aim was not to merge the Kyoto Protocol with a new instrument but to preserve the legal architecture, including the Protocol. Calling for substantive discussions, he said it would be a "grave injustice" to defer the issue to another COP/MOP. Highlighting the focus on the adoption of "deep emission reductions" by Annex I parties and inconsistencies of the amendment proposal with the Convention, India called for proceeding with work "without sidestepping." COP/MOP President Hedegaard noted India's concerns, but said that informal consultations on the proposals will continue.

Outcome: During the closing plenary on 19 December, COP/MOP Vice-President Beck reported that consensus was not achieved on how to proceed. He noted that pursuant to rule 16 of the draft rules of procedure, the issue would be automatically included in the agenda of the next session.

CDM: Issues relating to the Clean Development Mechanism were first considered by the COP/MOP on Tuesday, 8 December. The CDM Executive Board (EB) presented its 2009 annual report (FCCC/KP/CMP/2009/16). Several parties encouraged the CDM EB to continue improving efficiency, transparency and consistency of its decision-making. Many African countries stressed the need to continue improving regional distribution of CDM projects, as well as Africa's participation in the CDM. Niger called for measures to simplify project registration and promote African Designated Operational Entities (DOEs). Swaziland proposed requesting that the CDM EB prioritize a review of methodologies that could promote CDM projects in Africa.

Supported by Brazil, India opposed sectoral approaches, saying they could lead to benchmarking and, thus adversely affect developing countries' economic growth. Japan, Saudi Arabia, Algeria, the United Arab Emirates, Syria, Nigeria, Libya and others, opposed by Grenada and Tuvalu, stressed the importance of including CCS under the CDM. The EU called for specifying terms of reference for EB members concerning conflicts of interest and opposed the inclusion of reforestation of lands with forests in exhaustion and said forest management should be addressed under REDD-plus.

A contact group was established, co-chaired by Christiana Figueres Olsen (Costa Rica) and Kunihiko Shimada (Japan).

During the first contact group meeting, parties discussed the CDM EB's study on the implications of including CCS under the CDM. The Secretariat provided clarification on the process by which the CDM EB conducted the study, as requested by the COP/MOP President during the COP/MOP plenary. Co-Chair Figueres Olsen noted that because the CDM EB had been unable to reach conclusions on the study on CCS under the CDM or the mandate given to it by the COP/MOP, the matter was now back before the COP/MOP.

Discussions in the contact group were based on a draft COP/MOP decision prepared by the Co-Chairs. Parties also identified further issues that should be discussed by the group. The EU highlighted: standardized baselines; understaffing of the Secretariat; terms of

reference for CDM EB members; and the possibility of a full-time CDM EB chair. China identified the need to improve transparency, fairness and efficiency in decision-making. Grenada and Brazil opposed the proposal for a full-time chair, noting the existence of a full-time Secretariat and highlighting that the proposal would only favor those countries that can support a full-time chair. Grenada also objected to adopting terms of reference for CDM EB members, highlighting that it may bias countries with limited CDM knowledge and expertise. Ethiopia, for the LDCs, proposed exempting small-scale projects in LDCs from the additionality requirement.

Parties conducted several readings of the draft text and several revisions were produced, incorporating parties' comments and proposals. Issues discussed by the group included governance, additionality, accreditation, CCS under the CDM, conflicts of interest of Board members, improving consistency, transparency and impartiality of the Board and its work, an appeals procedure, and means of improving the distribution of registered project activities.

On ***Board members' conflicts of interest***, parties disagreed on whether and how to define conflicts of interest, particularly whether nationality and/or relationship to designated national authorities involved in specific projects would create a conflict of interest. The final text does not clarify when a conflict of interest is created, but requests publishing statements on conflicts of interest and details of past and current professional affiliations of members. Another controversial issue was the development of ***standardized baselines*** to select the baseline scenario. Brazil, China, Thailand, the Russian Federation and others, opposed by the EU, Switzerland and Ethiopia, supported deletion of the reference. Parties eventually agreed to request the SBSTA to recommend modalities and procedures for the development of such baselines.

Inclusion of CCS under the CDM was supported by Australia, Saudi Arabia and others, but opposed by Brazil, Ethiopia, Grenada and others. Some parties wanted to postpone consideration of the matter to COP/MOP 6. Parties could not agree to extend CDM eligibility to CCS, but recognized its importance and requested the SBSTA to continue to work on its possible inclusion in the CDM. A COP/MOP decision was adopted on 19 December.

COP/MOP Decision: In its decision (FCCC/KP/CMP/2009/L.10), the COP/MOP requests the Board to:

- significantly improve transparency, consistency and impartiality in its work;
- take fully into account, in its work and that of its support structure, host country laws, regulations, policies, standards and guidelines;
- consolidate, clarify and revise, as appropriate, its guidance on the treatment of national policies;
- recommend terms of reference for membership of the Board that clarify the desired set of skills and expertise, as well as the expected time commitment required of members and alternates, for consideration at COP/MOP 6;
- establish, following consultations with stakeholders, procedures for considering appeals in relation to situations where a Designated Operational Entity may not have performed its duties in accordance with COP/MOP and/or Executive Board rules or requirements, or rulings taken by or under the authority of the Executive Board;
- develop top-down methodologies that are particularly suited for application in countries with fewer than ten CDM projects, and introduce a requirement that Designated Operational Entities indicate in their annual activity reports, the work they are undertaking on projects originated in these countries; and
- allocate financial resources from the interest accrued on the principal of the CDM Trust Fund, as well as any voluntary donor contributions, in order to provide loans to cover the costs of development of project design documents and of validation and first verification for these project activities, in countries with fewer than ten registered CDM projects.

The COP/MOP also:

- requests the SBSTA to recommend modalities and procedures for the development of standardized baselines that are broadly applicable, provide for a high level of environmental integrity, and take account of specific national circumstances, and to forward a draft decision to COP/MOP 6;
- invites parties, intergovernmental organizations and admitted observer organizations to submit their views on the matter of standardized baselines to the Secretariat, by 22 March 2010;
- requests the SBSTA to assess the implications of the recommendation regarding "forests in exhaustion" as contained in Annex I to the annual report of the CDM EB;
- recognizes the importance of CCS in geological formations as a possible mitigation technology, bearing in mind concerns related to outstanding issues, requests the SBSTA to continue to work on the possible inclusion of CCS in geological formations in the CDM with a view to COP/MOP 6 adopting a decision on this matter, and invites parties to submit their views on these issues to the Secretariat by 22 March 2010;
- requests that the curricula vitae of Board members, statements on conflicts of interest and details of any past and current professional affiliations of members be published on the UNFCCC CDM website;
- decides to defer payment of the registration fee until after the first issuance for countries with fewer than ten registered CDM project activities; and
- requests the Secretariat to implement the staffing requirements in the CDM management plan in an expeditious manner.

JOINT IMPLEMENTATION: This issue was first taken up by the COP/MOP on 8 December. The Joint Implementation Supervisory Committee (JISC) presented its 2009 annual report (FCCC/KP/CMP/2009/18). The EU encouraged parties to pledge sufficient funding to the JISC. China, supported by Nigeria, Syria, Oman and Brazil, stressed the need to mobilize funding for the Adaptation Fund. David Lesolle (Botswana) and Pedro Martins Barata (Portugal) co-chaired a contact group.

At the first contact group meeting, Co-Chair Lesolle identified the following issues as requiring consideration: resources for the JISC, including the Joint Implementation (JI) management and budget plans for 2010-2011 and the need for predictable and adequate funding; further guidance to the JISC as appropriate; and guidance to the Secretariat regarding the JI track 1 procedure, including information from parties and input by the Secretariat. The Secretariat presented a summary of the JISC report, including an overview of the operation and status of JI. China noted that the Chair had not mentioned the issue of extending the share of proceeds levy to JI, as raised by parties in plenary. Co-Chair Lesolle noted that this could be included under further guidance on JI.

A draft COP/MOP decision was subsequently produced by the Co-Chairs and parties were able to agree on all paragraphs with the exception of a paragraph on extending the share of proceeds to JI. The Russian Federation and Ukraine, opposed by the G-77/China, proposed deleting this paragraph. Australia, supported by several others, highlighted ongoing discussions on financing under other bodies, and Ukraine noted that this issue is also being discussed under the AWG-KP. Japan noted that a decision extending the share of proceeds would require a Protocol amendment. Sierra Leone proposed specifying that the share of proceeds will be paid into the Adaptation Fund. The Russian Federation, supported by Ukraine, proposed a new option, which states that the share of proceeds would be paid into the Adaptation Fund "on a voluntary basis." New Zealand said the drafting of the option of taking no decision on the issue is misleading and proposed amending the option to state that no decision would be taken on the issue within this contact group, noting that this issue was being discussed elsewhere and a decision could be taken there. After several consultations, both informal and bilateral, the reference to extending the share of proceeds to JI was deleted.

A COP/MOP decision was adopted on 18 December.

COP/MOP Decision: In its decision (FCCC/KP/CMP/2009/L.7), the COP/MOP *inter alia*:

- adopts the revised JISC rules of procedure, as contained in Annex I to document FCCC/KP/CMP/2009/19 (Part I) and Corr. 1;
- encourages the JISC, designated focal points, independent entities, project participants and stakeholders to make every effort to contribute towards a more transparent, consistent, predictable and efficient verification procedure;
- endorses the revision to the fee structure as recommended by the JISC;
- notes that income from the charging of fees to cover administrative costs relating to the activities of the JISC will continue to accrue during the biennium 2010-2011 and that income from fees may cover the administrative expenses only as of 2012;
- notes with concern that the income accrued to date from the charging of fees is significantly lower than the level required to cover the estimated administrative costs relating to JISC activities;
- requests the JISC to report to COP/MOP 6 on a financial and budget projection up to 2012, including an analysis of when and under which conditions the JISC will become self-financing; and
- urges Annex I parties to make contributions to the Trust Fund for Supplementary Activities for funding the work on JI in the biennium 2010-2011 at a level that would ensure the thorough and timely implementation of the JI management plan.

COMPLIANCE: This issue was taken up by the COP/MOP in plenary on Wednesday, 9 December. The Compliance Committee presented the Committee's report (FCCC/KP/CMP/2009/17), highlighting, *inter alia*, its consideration of two questions of implementation with respect to Croatia. Croatia expressed disappointment with the decision not to approve its request regarding calculation of its Assigned Amount and commitment period reserve and noted its intention to appeal the decision. Informal consultations were conducted by Jürgen Lefevere (EU) and the COP/MOP adopted the decision on 18 December.

COP/MOP *Decision*: In its decision (FCCC/KP/CMP/2009/L.4), the COP/MOP: urges Convention Annex I parties that have not yet submitted their fourth national communications and relevant supplementary information, to do so; notes interest in the COP/MOP Compliance Committee concluding adequate legal arrangements on privileges and immunities for individuals serving on constituted bodies, as early as possible; also notes the continuing concerns of the Compliance Committee regarding funding for travel costs to, and participation in, Committee meetings; and invites parties to make voluntary contributions to the Trust Fund for Supplementary Activities in support of the Committee's work in the biennium 2010-2011.

PROTOCOL AMENDMENT IN RESPECT OF COMPLIANCE: On Thursday, 10 December, the COP/MOP agreed to defer its consideration of this item to COP/MOP 6.

ADAPTATION FUND: Adaptation Fund Board's Report*:* This matter was first taken up by the COP/MOP on 9 December. It was then considered by a contact group and informal consultations co-chaired by Agus Purnomo (Indonesia) and Vanesa Alvarez Franco (Spain).

The Adaptation Fund Board (AFB) presented the Board's report (FCCC/KP/CMP/2009/14), highlighting actions taken to operationalize the Adaptation Fund, including: adoption of policies and guidelines for accessing funds; commencement of the monetization of certified emission reductions (CERs); and the decision to accept Germany's offer to confer legal capacity on and host the Board. He also noted the inadequacy of available funds from the sale of CERs to achieve the objective of the Fund and functions of the Board.

Ghana, supported by Senegal, proposed amendments to the Board's rules of procedure to enable the Board to be represented by its Chair and Vice-Chair. Uruguay, Senegal and Jamaica called on the international community to provide more financial support to the Fund. Afghanistan stressed that adaptation funding must be additional to, and separate from, official development assistance (ODA). Mauritania urged simplification of procedures to access funding in order to ensure eligible countries can benefit. India outlined that deeper emission cuts by developed countries would positively impact the price of CERs, which would be beneficial to the Fund. He also highlighted the need for additional contributions to the Fund though JI credits.

The COP/MOP adopted a decision on 18 December.

COP/MOP Decision: In its decision (FCCC/KP/CMP/2009/L.2), the COP/MOP, *inter alia*: endorses the decision of the AFB to accept the offer of Germany to confer legal capacity on the AFB and invites Germany to take the necessary measures in this regard; decides that the Chair and Vice-Chair of the AFB shall jointly serve as legal representatives of the Board; and adopts the amendments to the rules of procedure.

Adaptation Fund's Review: This decision was forwarded from SBI 30 and was adopted the COP/MOP on 18 December.

COP/MOP Decision: In its decision (FCCC/SBI/2009/8/Add.1), the COP/MOP requests SBI 32 to initiate the review of the Adaptation Fund and agree on the terms of reference for the review and report back to COP/MOP 6 so that the review can be undertaken by COP/MOP 6.

REVIEW OF IMPLEMENTATION OF COMMITMENTS AND OTHER PROTOCOL PROVISIONS: Capacity Building under the Protocol: The COP/MOP adopted the decision (FCCC/SBI/2009/L.20) forwarded by the SBI.

COP Decision: In its decision, the COP/MOP requests the SBI to continue its consideration of the second comprehensive review of the implementation of the capacity-building framework in developing countries at SBI 32, with a view to preparing a draft decision on the outcome of this review for adoption by COP/MOP 6, and decides to complete the consideration of the review at COP/MOP 6.

PROPOSAL FROM KAZAKHSTAN TO AMEND PROTOCOL ANNEX B: The Secretariat explained that Kazakhstan will be considered an Annex I party under the Protocol while remaining a non-Annex I party under the Convention (FCCC/CP/2001/13/Add.4). He specified that Kazakhstan has ratified the Protocol and submitted an amendment proposal to be included in Annex B in September 2009. Kazakhstan said her country's transition to a low-emission economy requires using the carbon market and private investment. The Russian Federation and Kyrgyzstan supported the proposal. The EU recognized Kazakhstan's aspiration to join Annex B, while highlighting the need to comply with legal requirements relating to Annex B amendments. She supported deferring the issue to COP/MOP 6. Kazakhstan stressed that her country has been communicating relevant information to parties since June. Stephan Michel (Switzerland) consulted informally.

During the closing plenary on 18 December, COP/MOP Vice-President Barkindo reported that the informal consultations resulted in draft conclusions.

COP/MOP Conclusions: In its conclusions (FCCC/KP/CMP/2009/L.3), the COP/MOP, *inter alia*: takes note of Kazakhstan's proposal to amend Protocol Annex B to include its name; notes that if Kazakhstan is considered to be in compliance with the requirements set out in the "Guidelines for the implementation of Article 6 of the Kyoto Protocol," Kazakhstan would be considered to be eligible to participate in JI; requests the Secretariat to conduct an annual technical review of the latest greenhouse gas inventory submission of Kazakhstan, and also to communicate the text of the proposed Annex B amendment to parties and signatories; and requests SBI 32 to consider the proposal to include Kazakhstan's name in Protocol Annex B and to report on the outcome to COP/MOP 6.

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance in 2008-2009: The COP/MOP adopted a draft decision.

***COP/MOP Decision*:** In its decision (FCCC/SBI/2009/L.21/Add.2) the COP/MOP calls uponparties that have not paid their contributions to the core budget and the international transaction log to do so and expresses appreciationfor the contributions received from parties to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities. The COP/MOP reiteratesits appreciation to Germany for its annual voluntary contribution to the core budget of €766,938 and its special contribution of €1,789,522 as host country to the Secretariat.

Budget for 2010-2011: The COP/MOP adopted decision FCCC/SBI/2009/8/Add.1.

OTHER MATTERS REFERRED TO THE COP/MOP BY THE SUBSIDIARY BODIES: On 18 December, the COP/MOP adopted a decision on an updated programme for members of expert review teams participating in annual reviews (FCCC/SBI/2009/8/Add.1) forwarded by SBI 30.

CLOSING PLENARY: The COP/MOP adopted the report of the session (FCCC/KP/CMP/2009/L.1) and a resolution (FCCC/KP/CMP/2009/L.5) by Mexico commending Denmark for the excellent arrangements at COP/MOP 5. COP Vice-President Beck closed the session at 2:36 pm on Saturday, 19 December.

AWG-LCA 8

The AWG-LCA opening plenary convened on Monday, 7 December. Chair Michael Zammit Cutajar (Malta) reminded parties that the AWG-LCA has to conclude its work in Copenhagen. Parties adopted the agenda and agreed to the organization of work (FCCC/AWGLCA/2009/15 and 16).

Sudan, for the G-77/China, called on parties to fulfill the mandate of the BAP and to reject attempts to shift responsibility onto developing countries. Grenada, for AOSIS, said all elements of a legally-binding agreement that guarantees survival of SIDS and other vulnerable developing countries are embedded in the existing text, but that political will is required to realize an agreement. Lesotho, for the LDCs, called for a legally-binding agreement prioritizing adaptation and scaling up financing. Australia, for the Umbrella Group, underscored the importance of MRV.

Sweden, for the EU, highlighted the importance of: increased ambition on mid-term reductions; inclusion of emissions from the international aviation and maritime transport sectors; fast-track and long-term financing that includes the private sector and carbon markets; and action on a performance-based mechanism for REDD.

Switzerland, for the Environmental Integrity Group, supported a registry for nationally appropriate mitigation actions (NAMAs), without prejudicing how it would be institutionalized, and a robust MRV process. Algeria, for the African Group, said the AWG-LCA must set commitments for developed countries that are not Protocol parties that are comparable to those taken by other developed countries under the Protocol in the second commitment period.

Cuba, for the Bolivarian Alliance for the Peoples of Our America (ALBA), consisting of Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, Saint Vincent and the Grenadines, and Venezuela, called for developed countries to honor their climate debt and rejected attempts to transfer responsibilities to developing countries.

Costa Rica spoke for countries belonging to the Central American Integration System, consisting of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic. He called for an outcome that is consistent with the UNFCCC and Protocol and urged developed countries to show leadership.

LONG-TERM COOPERATIVE ACTION: On 7 December, Chair Zammit Cutajar noted the report of AWG-LCA 7 (FCCC/AWGLCA/2009/14), containing the compilation of the latest non-papers on each element being discussed under the agenda item. He also noted agreement in Barcelona to work in one contact group in Copenhagen. On the way forward, he said the contact group would begin working on 8 December and that it would launch drafting groups to produce agreed text on all the elements of the BAP, using the non-papers as a starting point. He said the groups would produce text in the form of draft COP decisions, stressing that this would not prejudice the legal form of the agreed outcome and that parties had the right to bring forward proposals on a different legal form.

During the first meeting of the contact group on 8 December, parties agreed to establish informal drafting groups on:

- a shared vision, facilitated by Sandea de Wet (South Africa);
- finance, co-facilitated by Farrukh Khan (Pakistan) and Jukka Uosukainen (Finland);
- technology, co-facilitated by Kishan Kumarsingh (Trinidad and Tobago) and Kunihiko Shimada (Japan);
- capacity building, co-facilitated by Lilian Portillo (Paraguay) and Georg Børsting (Norway); and
- adaptation, co-facilitated by William Kojo Agyemang-Bonsu (Ghana) and Thomas Kolly (Switzerland).

On mitigation, Chair Zammit Cutajar suggested that drafting groups will meet on:

- nationally appropriate mitigation actions (NAMAs), supported by public finance, facilitated by Margaret Mukahanana-Sangarwe (Zimbabwe);
- REDD-plus, facilitated by Tony La Viña (Philippines);
- general aspects of sectoral approaches and the agriculture sector, facilitated by Magdalena Preve (Uruguay); and
- response measures, facilitated by Richard Muyungi (Tanzania).

Chair Zammit Cutajar further explained that mitigation issues not considered by drafting groups will first be addressed in closed informal consultations under his chairmanship.

Chair Zammit Cutajar also proposed that consultations be conducted on non-market approaches to cost-effectiveness, facilitated by María del Socorro Flores (Mexico), and cross-cutting issues such as sources and scales of adaptation funding, and matching NAMAs with support. Chair Zammit Cutajar also consulted with parties bilaterally on the legal form of the outcome. Key issues discussed by the informal drafting groups are summarized below.

Shared Vision: Parties discussed a shared vision for long-term cooperative action in a drafting group. Negotiations were based on non-papers Nos. 33, 43, 37 and 38, forwarded from the Barcelona session and contained in document FCCC/AWGLCA/2009/14. Discussion led to shortening the text and making it more operational.

The main issues discussed included references to the Convention and the Protocol, historical responsibility and leadership by developed countries on mitigation and financing. Differences persisted on a long-term goal for emission reductions, trade measures and a long-term goal for financing.

The G-77/China underlined gaps in the implementation of the Convention, opposed by some developed countries, including the US and Australia. Parties also deliberated on the role of the Protocol, with the G-77/China and AOSIS supporting a reference to the ongoing role of the Protocol and Canada opposing it saying it prejudges the legal form of the outcome.

Turkey and Belarus proposed a reference to special circumstances of parties, including countries with economies in transition. The G-77/China underlined historical responsibility, with Bolivia stressing also climate debt and relationship of climate change with human rights. Saudi Arabia opposed a reference to taking into account the IPCC assessment reports in the review of a shared vision.

Many countries supported a goal of keeping temperature increase below 2°C above pre-industrial levels, with AOSIS underlining 1.5°C and Bolivia 1°C. Different views also remained on the required global and developed country emission reductions, and on peaking of emissions. No agreement was reached and options remain bracketed in the text. The G-77/China highlighted the importance of text requiring developed countries to refrain from unilateral protectionist trade measures, which was opposed by some developed countries.

Outcome: The AWG-LCA adopted conclusions, where it decides to present a draft decision on the outcome of the AWG-LCA for consideration and adoption by COP 15 (FCCC/AWGLCA/2009/L.7/Rev.1). The preamble and the first section of this draft decision capture the results of the negotiations on a shared vision.

Mitigation: ***Sub-paragraph 1(b)(i) of the BAP:*** The issue of mitigation by developed countries (sub-paragraph 1(b)(i) of the BAP) was first addressed in a drafting group facilitated by Karsten Sach (Germany). Parties focused discussions on non-paper No. 50 forwarded from the Barcelona session contained in Annex IIIA of document FCCC/AWGLCA/2009/14. Differences persisted on the nature of mitigation by developed countries, a collective reduction goal, comparability of efforts, relationship with the Kyoto Protocol, and MRV.

The G-77/China underlined that the text should apply to Annex I countries that are not parties to the Kyoto Protocol, who should take legally-binding economy-wide quantified emission reduction commitments in the mid- and long-term. The EU and Canada suggested this section applies to both Annex I parties and other countries wishing to take binding QELROs. Several developed countries, including the EU and US, opposed references to the second commitment period of the Kyoto Protocol. AOSIS underlined the importance of developed country mitigation in line with science and in a legally-binding form. Australia and Japan suggested discussing common mitigation elements applicable to both developed and developing countries.

Sub-paragraph 1(b)(ii) of the BAP: Parties began discussions on mitigation by developing countries under sub-paragraph 1(b)(ii) of the BAP in a drafting group on NAMAs, supported by public finance. Parties based discussions on non-paper No. 51, forwarded from the Barcelona session contained in Annex IIIB of document FCCC/AWGLCA/2009/14. Bilateral consultations also took place on unilateral

NAMAs.

Parties mainly reiterated their positions and differences persisted on a number of issues, including the role of low-carbon emission strategies in relation to NAMAs, a NAMA mechanism and who should provide support for NAMAs and MRV.

The G-77/China opposed and the EU and other developed countries supported low-carbon emission strategies. On a NAMA mechanism, the G-77/China supported establishing a registry for actions and support. The Group also reiterated that support for NAMAs comes from public sources in developed countries, while some developed countries, including Canada and Australia, preferred a more inclusive approach. The US, Australia, Canada and others supported international MRV of NAMAs. Many developing countries stressed this should be conducted at the domestic level.

Sub-paragraph 1(b)(iii) of the BAP: In the sub-group on REDD-plus, parties met in an informal drafting group to consider text from Annex III.C of document FCCC/AWGLCA/2009/14. Initial consultations on REDD-plus addressed scope and objectives. Parties discussed whether the scope should include percentage goals and whether specific activities that comprise REDD-plus should be listed. Parties then considered text on safeguards and began discussing reference levels. Consultations continued on MRV and finance.

Sub-paragraph 1(b)(iv) of the BAP: On sectoral approaches, parties met in an informal drafting group to continue work based on Annex III.D of document FCCC/AWG/LCA/2009/14. Parties discussed draft text on agriculture and focused on a decision text to develop a SBSTA work programme on agriculture. Concerns were raised with respect to the inclusion of reference to adaptation, food security, trade and offsets in the text.

On bunker fuels, the co-facilitators of the bunker fuel drafting group developed a draft text and parties exchanged views on reducing options in the text.

Sub-paragraph 1(b)(v) of the BAP: The sub-group on various approaches to enhance the cost-effectiveness of, and to promote, mitigation actions, was facilitated by María del Socorro Flores (Mexico). Discussions were conducted through informal consultations and were based on Annex III.E of FCCC/AWG/LCA/2009/14.

Many parties supported discussing both market- and non-market-based approaches, while some preferred discussing only non-market-based approaches. Venezuela and Bolivia, in particular, objected to discussions of market-based-approaches and inclusion of these in the new draft text. Others, such as South Africa, Brazil, China and some other developing countries said such discussions could only proceed after Annex I parties undertake legally-binding QELROs. Most Annex I parties, as well as some Latin American ones such as Peru and Chile supported inclusion and discussion of market-based approaches.

On HFCs, the controversy surrounded text encouraging or urging parties to pursue HFC regulation under the Montreal Protocol on Substances that Deplete the Ozone Layer. Currently HFCs are regulated by the Kyoto Protocol, but during previous sessions, some parties proposed also having the Montreal Protocol regulate HFCs. The EU and the Federated States of Micronesia, opposed by Brazil, India and China, supported the inclusion and discussion of this issue. According to China and India, since the Montreal Protocol is an entirely different process, it is not appropriate to give instructions to its parties. They also pointed out that this issue was already being discussed by the Montreal Protocol and there was no need to duplicate discussions here. Regarding the option for promoting the voluntary implementation of mitigation actions, including actions with near-term effects, several parties, including India and China, objected to its inclusion. The Federated States of Micronesia encouraged parties not to reject the entire option just because they object to some of the possible actions with near-term effects, such as HFC regulation.

Sub-paragraph 1(b)(vi) of the BAP: The sub-group on response measures, facilitated by Richard Muyungi, considered Annex III.F of document FCCC/AWGLCA/2009/14. Parties exchanged views on draft conclusions on response measures and reduced options on other topics including trade and whether a forum is needed. Parties could not agree on the appropriate approach for exchanging information, with many developing countries preferring a permanent forum and developed countries expressing concern with language on institutional structure. Some developed countries also suggested a reference to a focus on vulnerable and least developed countries.

Outcome: The AWG-LCA presented the draft conclusions including on mitigation (Sub-paragraphs 1(b)(i)-(vi) of the BAP) (FCCC/AWGLCA/2009/L.7/Add.7/Rev.1) to COP 15 for consideration and adoption. They also sent draft thematic decisions to the COP on:

- Sub-paragraph 1(b)(i) of the BAP, on nationally appropriate mitigation commitments or actions by developed country parties (FCCC/AWGLCA/2009/L.7/Rev.1);
- Sub-paragraph 1(b)(ii) of the BAP, on mitigation including NAMAs by developing country parties (FCCC/AWGLCA/2009/L.7/Rev.1), and on a NAMA mechanism (FCCC/AWGLCA/2009/L.7/Add.5);
- Sub-paragraph 1(b)(iii) of the BAP, on REDD-plus (FCCC/AWGLCA/2009/L.7/Add.6);
- Sub-paragraph 1(b)(iv) of the BAP, on sectoral approaches (FCCC/AWGLCA/2009/L.7/Add.9);
- Sub-paragraph 1(b)(v) of the BAP, on economic and social consequences of response measures (FCCC/AWGLCA/2009/L.7/Add.7); and
- Sub-paragraph 1(b)(vi) of the BAP, various approaches, including markets (FCCC/AWGLCA/2009/L.7/Add.7).

The text remains heavily bracketed.

Adaptation: Parties conducted discussions in a drafting group. Some progress was with regard to an adaptation framework or programme, objectives and principles, and categories of action. Differences persisted on, *inter alia*, vulnerabilities, response measures, a loss and damage mechanism, assessment of adaptation actions and support for adaptation. The LDCs and AOSIS proposed a reference to special concerns of LDCs, SIDS and African countries in the text on adaptation. Several developing countries, including Peru and Colombia, stressed other vulnerabilities. Saudi Arabia proposed also addressing adaptation to impacts of response measures, which was opposed by many other countries.

AOSIS supported developing a mechanism to address loss and damage. AOSIS, with several other developing countries, also opposed

arrangements for reporting and assessment of adaptation actions.

On support for adaptation, parties discussed the placement of specific issues with a view to avoiding duplication with the section on financing, in particular concerning: scale and sources of financing; institutional arrangements; provision of support; and specific modalities.

Outcome: The AWG-LCA adopted conclusions, where it decides to present a draft decision on the outcome of the AWG-LCA (FCCC/AWGLCA/2009/L.7/Rev.1) and several draft thematic decisions for consideration and adoption by the COP 15. In addition, a separate thematic decision addresses adaptation (FCCC/AWGLCA/2009/L.7/Add.1).

Finance: This item was considered during informal consultations and drafting groups co-facilitated by Farrukh Khan (Pakistan) and Jukka Uosukainen (Finland). Parties centered the majority of their discussions on institutional arrangements for a financial mechanism, although the generation and provision of financial resources were also addressed.

On institutional arrangements, debate centered on whether to "operationalize" or "strengthen" the financial mechanism of the Convention. Difficulties were expressed with, among other things, listing commitments contained in Convention Article 4 (commitments) and language on a governing body allocating funds among thematic areas. When a possible organizational structure was considered, several parties expressed concern that the administrative layers envisaged, comprising the COP, a high-level body or executive body, the funds and funding windows, which they said could prove to be burdensome and bureaucratic. Others highlighted the importance of determining the functions of the high-level board as well as the need for a monitoring function for financial commitments. A non-paper was subsequently produced reflecting bracketed elements on, *inter alia*: commitment to operationalize the financial mechanism; the concept of a body with various functions; a facilitative and verification function for the body; governance; and the establishment of a fund or funds. There was general support for a possible high-level level finance committee to assist the COP and a climate fund or facility. When discussions took place on the trustee for the financial mechanism, developed countries generally preferred that the World Bank should act as the trustee, while many developing countries preferred new arrangements to overcome problems experienced with the current financial mechanisms. Divergent views were also expressed on the composition and nomination of the board and its corresponding functions.

Outcome: The AWG-LCA presented the decision on the provision of financial resources and investment (FCCC/AWGLCA/2009/L.7/Add.2/Rev.1) to COP 15 for consideration and adoption.

Technology: This item was considered during informal consultations. The main issues for consideration were the establishment of a technology mechanism with a technology executive committee and a climate executive center, which parties were able to agree on. Parties envisaged the technology mechanism undertaking preparatory work and technology-related activities for mitigation and adaptation and the implementation of those actions. Discussions focused on the functions of these technology entities and activities eligible for support. Developing countries also sought a clear linkage between the technology mechanism and financial arrangements under the COP, with a list of activities eligible for support to ensure that proposals would receive financing. Developed countries maintained that the consideration of financial matters was not within the purview of the technology group. Although parties made progress on the technology text, they were not able to agree on the reporting line between the committee and the center or the link between the committee and agreement on finance and the issue of intellectual property rights.

Outcome: The AWG-LCA presented the decision on enhanced action on technology development and transfer (FCCC/AWGLCA/2009/L.7/Add.3) to COP 15 for consideration and adoption.

Capacity Building: Discussions in the sub-group on capacity building were based on Annex VI of document FCCC/AWGLCA/2009/14. Several revised draft COP decisions on capacity building were produced based on discussions during the session.

In particular, discussions focused on enhancing capacity building and the necessary institutional arrangements for this. Parties were not able to agree on several issues. Most of the revised text therefore contained several options on various issues, and parties focused on cleaning up the text in order to provide clear options, rather than on selecting specific options. The issues on which parties could not reach agreement include: capacity-building activities that require financing, with some parties preferring to conduct finance-related discussions only in the AWG-LCA contact group on finance; the issue of performance indicators for measuring support for capacity-building activities, with most developing countries supporting, and most developed countries opposing, reference to this; and institutional arrangements for addressing capacity building, with several developing countries, opposed by some developed countries, proposing establishment of a technical panel on capacity building.

Outcome:The AWG-LCA adopted conclusions, where it decides to present document FCCC/AWGLCA/2009/L.7/Add.4 consisting of a draft thematic decision on capacity building for consideration and adoption by COP 15.

CLOSING PLENARY: The AWG-LCA closing plenary convened at 4:45 am on Wednesday, 16 December. Chair Zammit Cutajar explained that the AWG-LCA's work is envisaged as a "package" and was being presented as a "core COP decision" and series of thematic decisions (FCCC/AWGLCA/2009/L.7 and Adds.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.

Chair Zammit Cutajar identified the "core decision" (FCCC/AWGLCA/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 of 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 one." He called for inserting "option two" 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/L.7. 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 the LDCs, with 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 said 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 requested that they 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 it would not be possible to reproduce the texts in 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." 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 10

The AWG-KP opening plenary took place on Monday, 7 December. Chair John Ashe (Antigua and Barbuda) explained that the AWG-KP's mandate is to develop a proposal for amending the Protocol and define quantified emission reduction commitments for Annex I parties for the post-2012 period. He urged parties not to be distracted from this task. He also noted that documentation to assist negotiations had been developed (FCCC/KP/AWG/2009/10/Rev.3, Add.1/Rev.2, Add.2, Add.3/Rev.3, and Add.4/Rev.2; and FCCC/KP/AWG/2009/12/Rev.2). Parties then adopted the agenda and organization of work (FCCC/KP/AWG/2009/15 and 16).

Sudan, for the G-77/China, expressed concern at the "insistence" of Annex I parties on a single outcome in Copenhagen and urged parties to build on the Protocol's success by establishing more ambitious targets for the second commitment period, as well as developing the means to address the potential consequences of Annex I parties' policies and measures on developing countries.

Sweden, for the EU, said that a Copenhagen deal must deliver concrete results and include all the essential components of the Kyoto Protocol. He highlighted that climate change science requires emissions to peak no later than 2020 and halve by 2050 in order to keep global warming below 2°C, and stated that the Kyoto Protocol alone cannot achieve this. He called for a global, ambitious and comprehensive agreement in Copenhagen.

Noting the need for rules on markets and LULUCF, Australia, for the Umbrella Group, called for broad and effective participation of all parties under a single, new legally-binding agreement.

Grenada, for AOSIS, stressed that emissions must peak by 2015 to avoid catastrophic impacts for vulnerable countries such as SIDS, and to minimize the risks of irreversible impacts. She emphasized the economic and technical feasibility of 45% emission reductions by 2020 and 95% reductions by 2050. She said the current Annex I pledges, amounting to 13-19% reductions below 1990 levels by 2020, are inadequate.

Lesotho, for the LDCs, stressed the Protocol as critical to the UNFCCC process and identified ambitious emission reductions by Annex I parties as the only way to reduce the already evident impacts of climate change. He called for targets to limit temperature increase to 1.5°C and keep greenhouse gas concentrations below 350 ppm. He said that ending the Protocol is unacceptable and urged maintaining a distinction between the two negotiating tracks.

Switzerland, for the Environmental Integrity Group, called for continuing the Protocol's key elements, including quantified and legally-binding objectives, the flexibility mechanisms and a transparent monitoring system.

ANNEX I FURTHER COMMITMENTS: AWG-KP Chair Ashe said this agenda item is divided into four main components, namely: Annex I parties' aggregate and individual emission reduction commitments; other issues identified in paragraph 49(c) of the report of AWG-KP 6 (FCCC/AWG/2008/8); potential consequences; and legal matters. He said that in accordance with the agreement reached at AWG-KP 9 in Barcelona, 60% of the available time would be allocated to the group on Annex I emission reductions.

Parties subsequently agreed to establish four contact groups on:

- Annex I emission reductions, co-chaired by Leon Charles (Grenada) and Gertraud Wollansky (Austria);
- other issues, chaired by AWG-KP Vice-Chair Harald Dovland (Norway);
- potential consequences, co-chaired by Mama Konaté (Mali) and Andrew Ure (Australia); and
- legal matters, co-chaired by María Andrea Albán Durán (Colombia) and Gerhard Loibl (Austria), to meet only if requested by the other contact groups.

Annex I Emission Reductions: Discussions took place in contact groups and informal consultations and key issues discussed included: length and number of commitment periods; options for amending Annex B of the Kyoto Protocol; base or reference years; use of flexibility mechanisms and LULUCF in the pledges; a reasonable level of ambition for aggregate and individual Annex I emission reductions; starting points for translating pledges into QELROs; and surplus AAUs.

On ***pledges***, China, Algeria, Bolivia, Venezuela and AOSIS emphasized the need for ambitious commitments from Annex I parties. The Russian Federation highlighted its recent pledge to reduce emissions by 20-25% from 1990 levels by 2020. Several countries, including Japan and the Russian Federation, noted that their pledges are contingent on a comprehensive global legal framework. The Gambia, with Algeria, Sudan and Zambia, supported continuation of the Kyoto Protocol. No agreement on aggregate level of ambition was reached.

On ***base year***, consensus emerged from informal consultations on having one single legally-binding base year instead of multiple

binding base years. However, the single base year would not necessarily be the same for all parties as there was some support for including reference years in the Protocol amendment and consensus that 1990 should be one of them. Multiple base and reference years were retained in the text.

On ***addressing surplus AAUs***, the EU noted that failing to address the issue of AAU surplus and using either current rules or unconstrained gross-net accounting rules for LULUCF would result in increased emissions from the 1990 baseline. Brazil requested that AAU carryover issues be resolved separate from discussions of level of ambition. Parties highlighted methods of dealing with surplus AAUs including: requesting parties not to use them in the second commitment period; capping carryovers; discounting; or using actual emissions as a starting point for calculating QELROs. The EU, Australia and Brazil expressed concern with using actual emissions as a starting point.

On ***commitment periods***, parties exchanged views on the pros and cons of a five-year versus an eight-year commitment period. Considerations included: domestic constraints related to legislation and ratification processes; and ability to respond to science, including a possible mid-term review for an eight-year cycle. No agreement was reached and both options were retained in the text.

***Outcome*:** The AWG-KP adopted its report to the COP/MOP (FCCC/KP/AWG/2009/L.15), which contains a draft decision on Protocol amendments pursuant to Article 3.9. The decision includes options on: tables to replace the table in Annex B of the Kyoto Protocol; aggregate and individual emission reductions; AAUs; and length and number of commitment periods. **Text was forwarded from the AWG-KP closing plenary for consideration by the COP/MOP on Tuesday, 15 December.**

Flexibility Mechanisms: AWG-KP Vice-Chair Dovland highlighted that the aim of the contact group is to clean up the text of the draft COP/MOP decision on the flexibility mechanisms (Annex I of FCCC/KP/AWG/2009/10/Add.3/Rev.3). Discussions in the contact group focused on this document and revised text was produced several times, incorporating parties' proposals and comments.

During the first meeting of the group, discussions focused on either: continuing discussion of the issues on which consensus was not envisaged; or forwarding such issues to the COP/MOP to decide either to take no further action on the issue or to request the SBSTA to develop procedures and modalities for relevant action. Parties then considered the text and identified issues in the text that could be referred to the COP/MOP for further consideration, including: CCS under the CDM; nuclear activities under the CDM; and standardized baselines. Parties then focused on streamlining and removing brackets from the various options on the other items in the text.

On ***crediting on the basis of NAMAs***, Saudi Arabia, Senegal, Egypt, Bolivia and several other developing countries proposed deletion of the text relating to this issue. The Republic of Korea and Sweden, for the EU, preferred retaining the text. The section, containing an option to take no decision on this issue, and an option establishing a NAMA crediting mechanism, was retained in the text.

On ***extending the share of proceeds to JI***, the Russian Federation and Ukraine supported the option requiring no decision to be made with respect to the issue. New Zealand noted that extension of the share of proceeds would require a Protocol amendment rather than just a COP/MOP decision. Saudi Arabia proposed including reference to developing countries that are particularly vulnerable to the impact of response measures in the text that identifies parties requiring adaptation assistance. Two options, one to take no action and the other to extend the share of proceeds to JI, remain in the text.

On ***supplementarity of the flexibility mechanisms***, Peru proposed including a section on this issue in the text, limiting the amounts that can be added to, or subtracted from, the Assigned Amounts of a party through the flexibility mechanisms. Brazil, supported by Peru and opposed by Japan and Saudi Arabia, proposed specifying a cap of 30% on the use of the flexibility mechanisms. The EU, supported by Norway, proposed having an option stating that no decision should be taken on this issue. Grenada, for AOSIS, proposed inserting a preamble recognizing that developed countries shall achieve their QELROs primarily through domestic efforts. Australia, supported by Canada, proposed moving this preamble to the operative part of the text and then inserting an option maintaining the *status quo*. 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). The various options remain in the text.

On ***emissions trading***, New Zealand noted interest in extending emissions trading to developing countries and proposed text reflecting this. This section retains the two options: one to take no decision with respect to this issue; and the other to enable all parties to participate in the trading of units from all market-based mechanisms.

On ***new market-based mechanisms***, the EU, opposed by Argentina and Venezuela, and supported by New Zealand and others, proposed a paragraph establishing new market-based mechanisms. Venezuela opposed the establishment of new market-based-mechanisms and proposed inserting a footnote stating that this would require a Protocol amendment, and also noted that this issue is being addressed under the AWG-LCA. The two options remain on the table.

On ***improving regional distribution***, Saudi Arabia proposed 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 the 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 CERs. Parties finally agreed on language postponing payment of fees by parties with fewer than ten projects. 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. No agreement could be reached on this paragraph and it remains bracketed.

Outcome: A decision on the flexibility mechanism is contained in the AWG-KP report to the COP/MOP (FCCC/KP/AWG/2009/L.15). Parties were unable to agree on most of the issues addressed, with the exception of the issue of commitment period reserve, for which parties were able to agree on a single option, and the issue of improving regional distribution, which only has one option on the table for which parties were able to agree on most of the paragraphs.

LULUCF: This issue was first introduced in the AWG-KP plenary on 7 December. It was referred to a spin-off group of the other issues contact group, co-facilitated by Bryan Smith (New Zealand) and Marcelo Rocha (Brazil). Initial informal consultations reduced options on the definitions for natural disturbances and harvested wood products. Parties also attempted to reduce options on forest management, with discussions taking place on the potential role for caps and discount factors. On Monday, 14 December, the sub-group on LULUCF convened in a contact group to exchange views on the AWG-KP Chair's draft text. Brazil, with many others, supported the text as the basis for discussion.

Papua New Guinea, supported by Costa Rica, Malaysia and Thailand, expressed concern that the option on land-based accounting was omitted from the Chair's draft text. China and many others noted an interest in a land-based approach, but not for the second commitment period. Canada and Australia highlighted decision text that establishes a SBSTA work programme on a land-based approach. Papua New Guinea said they could not move forward with the text unless the land-based approach was an option.

Outcome: A LULUCF decision is contained in the AWG-KP report to the COP/MOP (FCCC/KP/AWG/2009/L.15). The draft decision requests the SBSTA to initiate a work programme that: explores moving towards a land-based approach; considers procedures for additional LULUCF activities under the CDM; considers the role of non-permanence; revises reporting guidelines; and revises supplementary methodologies. The annex contains options on accounting for forest management using reference levels or caps, definitions of natural disturbance and harvested wood products, as well as an option for a land-based approach.

Basket of Methodological Issues: In the first contact group on other issues, Vice-Chair Dovland said discussions on the basket of methodological issues (comprising possible new greenhouse gases, common metrics to calculate carbon dioxide equivalence of emissions by sources and removals by sinks, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories) would be based on Annex III of document FCCC/KP/AWG/2009/10/Add.3/Rev.3.

On the inclusion of new greenhouse gases, some parties advocated adding new gases or species of gases, while others emphasized that amendment of the Protocol to include new gases was beyond the scope of the group's mandate. In the stocktaking plenary, Vice-Chair Dovland noted agreement on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and cleaner text on common metrics, but described a lack of agreement on including new greenhouse gases. Describing the Chair's draft text, Vice-Chair Dovland said it had added six preambular "uncontroversial and factual" paragraphs. Brazil, opposed by Australia, the Federated States of Micronesia and Switzerland, preferred no change in greenhouse gases and suggested that adding new gases that are reported but not accounted for may result in a "loophole." Vice-Chair Dovland said there would be a placeholder in the text for amending Protocol Annex A and the Federated States of Micronesia suggested consideration of such language that does not require an amendment of Annex A. Japan highlighted environmental integrity, but said technical details require further clarification. Peru suggested that this is an issue for the SBSTA.

Outcome: A decision on the basket of methodological issues is contained in the report of the AWG-KP to the COP/MOP (FCCC/KP/AWG/2009/L.15). On greenhouse gases, the draft decision presents options on the inclusion of new gases. On common metrics, the draft decision provides options on the methodologies for calculating global warming potential of various gases. On the 2006 IPCC Guidelines, the draft decision decides to use this as a reference for methodologies for estimating emissions from sources and removals by sinks. On sectors/source categories, the draft decision contains bracketed text on the addition of new subcategories.

Potential Consequences: Discussions in the contact group were based on document FCCC/KP/AWG/2009/12/Rev.2. Key issues addressed included: the form of the outcome, deepening understanding, designing policies and measures, possible creation of a permanent forum to address potential consequences, and definition of countries most affected by potential consequences.

On ***form of the decision***, New Zealand, supported by the EU, but opposed by the G-77/China, expressed preference for adopting conclusions rather than a decision. On countries that would be most severely impacted by potential negative consequences, Saudi Arabia, Colombia, Kuwait, Nigeria and others preferred referring to countries identified in Convention Articles 4.8, 4.9 and 4.10, while the EU, Japan and AOSIS preferred referring to the poorest and most vulnerable developing country parties.

On ***operationalization***, South Africa, for the G-77/China, preferred using the Compliance Committee to address implementation of Protocol Article 3.14 (adverse effects and impacts of responses) and to facilitate compliance under Protocol Article 2.3 (adverse effects of policies and measures). No consensus could be reached on this issue and two options remain in the text, the first utilizing national communications and a mechanism for review of potential consequences and the second creating a permanent forum for addressing the issue.

***Outcome*:** A decision on potential consequences is annexed to the AWG-KP Report to the COP/MOP (FCCC/KP/AWG/2009/L.15). The annex includes options on: guidelines for reporting on potential consequences; use of the Compliance Committee to address questions related to the implementation regarding potential consequences; and use of national communications under the SBI as a means for reporting on potential consequences.

CLOSING PLENARY: The AWG-KP closing plenary convened briefly just after midnight on 16 December, following a stocktaking plenary and ensuing negotiations on the AWG-KP's report to the COP/MOP earlier in the evening. Parties adopted the report of the session (FCCC/KP/AWG/2009/L.14 and 15) recommending that the COP/MOP consider how to proceed with the further consideration of the draft text. 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. AWG-KP Chair Ashe closed the plenary at 12:07 am.

SBSTA 31

On Tuesday, 8 December, SBSTA Chair Helen Plume (New Zealand) opened SBSTA 31. Parties adopted the agenda (FCCC/SBSTA/2009/4) and agreed to the proposed organization of work. On 12 December, the SBSTA agreed to elect Mihir Kanti Majumder (Bangladesh) as Vice-Chair and Purushottam Ghimire (Nepal) as Rapporteur.

NAIROBI WORK PROGRAMME ON IMPACTS, VULNERABILITY AND ADAPTATION TO CLIMATE CHANGE: This item (FCCC/SBSTA/2009/5, 6, 7, INF.5, MISC.9/Rev.1, MISC.10, and FCCC/TP/2009/2) was first considered by the SBSTA on 8 December. The Convention on Biological Diversity reported on the results of the Expert Group on Biological Diversity. The IPCC reported on the contribution of the Task Group on Data and Scenario Support for Impact and Climate Analysis. The issue was referred to a contact group co-chaired by Kishan Kumarsingh (Trinidad and Tobago) and Donald Lemmen (Canada). Parties met in informal consultations focusing on

reporting burdens associated with networking partnerships and the catalytic role of the Nairobi Work Programme on Impacts, Vulnerability and Adaptation (NWP). Parties adopted conclusions in the SBSTA closing plenary on Saturday, 12 December.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2009/L.17), the SBSTA, *inter alia*:

- welcomes progress on and work under the NWP and the direct engagement and contributions, including through action pledges, of many organizations in its implementation;
- requests the Secretariat to continue enhancing the outreach of the NWP; and
- reaffirms the catalytic role of the NWP and requests the Secretariat continue engaging organizations, including those implementing education, training and awareness-raising activities and adaptation actions.

REDD: This issue (FCCC/SBSTA/2009/3 Annex I) was first considered by the SBSTA on 8 December and then referred to a contact group, co-chaired by Lilian Portillo (Paraguay) and Audun Rosland (Norway). In the opening plenary, which focused on a general exchange of views, many countries urged parties not to mix technical discussions under the SBSTA with policy-related discussions under the AWG-LCA. Many countries called for consideration of participation of indigenous peoples. Tanzania and Mali called for REDD methodologies to consider benefits for local communities. Papua New Guinea supported creation of an instrument that allows participation of countries that reduce their deforestation rates, protects existing forest or increases forest area. The Environmental Integrity Group recommended a decision allowing SBSTA to continue methodological work after the COP.

On ***reference levels***, parties focused discussions on whether and how to include national and/or sub-national reference levels. On establishing monitoring systems, a number of parties said language on independent review is needed. Some parties suggested that only activities that are supported financially should be open to review. Parties discussed a proposal for text on capacity building to enhance coordination on REDD. Parties also discussed identification of activities and drivers of deforestation, and the use of guidance and guidelines from the IPCC. Throughout discussions, parties highlighted that many of the most contentious issues, such as national and sub-national reference levels and MRV, were political in nature and the details of these issues should therefore be discussed under the AWG-LCA.

The SBSTA adopted conclusions and agreed to forward decision text to the COP on 12 December. Parties also agreed to note in the meeting's report that "national circumstances include countries with specific circumstances, such as high forest cover and low rates of deforestation."

***SBSTA Conclusions*:** In its conclusions (FCCC/SBSTA/2009/L.19 and Add.1), the SBSTA decides to take note of an oral report by the Chair on ways to facilitate activities relating to a draft COP decision, as contained in FCCC/SBSTA/2009/L.19/Add.1 (approaches to stimulate action on REDD) and to forward a draft decision to the COP.

RESEARCH AND SYSTEMATIC OBSERVATION: This issue (FCCC/SBSTA/2009/MISC.12) was first considered by the SBSTA plenary on 8 December. The Global Climate Observing System (GCOS) reported on its updated Implementation Plan, noting that the additional annual cost of a fully effective GCOS will be US$2.1 billion. Many developing countries supported a greater focus on the needs of developing countries in terms of observing systems, and Burundi, Kuwait and Saudi Arabia highlighted the importance of early warning systems. Chair Plume prepared procedural draft conclusions with assistance from the Secretariat and in consultation with interested parties. The SBSTA adopted conclusions on 12 December.

***SBSTA Conclusions*:** In its conclusions (FCCC/SBSTA/2009/L.16 and Add.1), the SBSTA welcomes statements from agencies and information on the updated Implementation Plan for the GCOS for Climate in Support of the UNFCCC. The SBSTA forwarded a draft conclusion for consideration by the COP on appreciation for the WMO and its partner organizations for the decision to establish a Global Framework for Climate Services.

METHODOLOGICAL ISSUES UNDER THE CONVENTION: Review of Annex I greenhouse gas inventories: SBSTA Chair Plume proposed, and parties agreed, to reflect in the meeting's report that the SBSTA took note of the annual report on the technical review of Annex I greenhouse gas inventories (FCCC/SBSTA/2009/INF.4)

Emissions from international aviation and maritime transport: This issue was first considered by the SBSTA plenary on 8 December. Parties heard reports from the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO). China and others stressed that actions in these sectors should be in line with the principle of common but differentiated responsibilities. The Bahamas supported that the IMO and ICAO remain the only bodies regulating emissions from international aviation and maritime transport. Chair Plume prepared draft conclusions, which were adopted on 12 December.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2009/L.15), the SBSTA invites ICAO and IMO to report on their relevant work at subsequent sessions of the SBSTA.

METHODOLOGICAL ISSUES UNDER THE PROTOCOL: HCFC-22/HFC-23: This issue was first considered by the SBSTA plenary on 8 December. Chair Plume noted lack of consensus on this issue since SBSTA 26. Samuel Adejuwon (Nigeria) facilitated informal consultations, but parties were not able to reach conclusions. The consideration of the issue will continue at SBSTA 32.

CCS under the CDM: This issue was first considered by the SBSTA plenary, where Chair Plume reported that no agreement had been reached on how to proceed on this issue. Saudi Arabia and Australia expressed disappointment that agreement was not reached. Ghana proposed requesting that SBSTA establish a programme for CCS as a mitigation technology and activity. The SBSTA adopted conclusions on 12 December.

SBSTA *Conclusions*: In its conclusions (FCCC/SBSTA/2009/L.20), the SBSTA agrees to continue consideration of this matter at SBSTA 32 based on the draft text in the annex.

Common metrics: This issue on the crediting of new hydrochlorofluorocarbon-22 (HCFC-22) facilities under the CDM under decision 8/CMP.1 was first considered by the SBSTA plenary on 8 December. Mikhail Gytarsky (Russian Federation) conducted informal consultations to prepare draft conclusions. Parties highlighted that scientific work on the issue is ongoing and discussed how it should be taken up in the future. Some parties expressed concern about perverse incentives for increasing the production of HCFC-22, while others

said that the phase out of HCFC-22 under the Montreal Protocol addresses this concern. Gytarsky reported that no agreement had been reached. Consideration of the issue will continue at SBSTA 32.

TECHNOLOGY TRANSFER: This issue (FCCC/SB/2009/4, Summary and INF.6) was first taken up by the SBSTA in plenary on 8 December. The Expert Group on Technology Transfer (EGTT) presented its 2009 report (FCCC/SB/2009/INF.6), highlighting the implementation of work in 2009 and the report on performance indicators. The issue was then referred to a joint SBI/SBSTA contact group, co-chaired by Carlos Fuller (Belize) and Holger Liptow (Germany). The SBSTA adopted conclusions on 12 December.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2009/L.14), the SBSTA *inter alia*: endorses the EGTT rolling programme of work for 2010-2011; welcomes the final EGTT report on performance indicators; and notes the offer of the Government of Belize to host the Latin America and Caribbean regional workshop on preparing technology transfer projects for financing, which will be held in Belize in 2010.

MATTERS RELATING TO PROTOCOL ARTICLE 2.3 (Adverse effects of policies and measures): The SBSTA plenary first considered this issue on 8 December and Chair Plume, noting constructive discussions at SBSTA 30, said that discussions under a joint SBI/SBSTA contact group on Protocol Articles 2.3 (adverse impacts of policies and measures) and 3.14 (adverse effects and impacts of response measures), co-chaired by Kristin Tilley (Australia) and Eduardo Calvo Buendia (Peru), would continue on the basis of Annex III of the Report of SBSTA 30 (FCCC/SBSTA/2009/3, Annex III). Parties met in formal discussions working through documents FCCC/SBSTA/2009/L.10 and FCCC/SBI/2009/L.11 to consolidate options and streamline the text in Annex III. The SBSTA closing plenary adopted conclusions on 12 December.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2009/L.18), the SBSTA agrees to continue discussions on this matter in a joint SBI/SBSTA contact group at their 32nd session, based on the draft text annexed to the conclusions.

CLOSING PLENARY: The SBSTA closing plenary took place on 12 December. The SBSTA adopted the report of the session (FCCC/SBSTA/2009/L.13). SBSTA Chair Plume closed SBSTA 31 at 5:19 pm.

SBI 31

SBI 31 opened on Tuesday, 8 December. SBI Chair Liana Bratasida (Indonesia) suggested leaving the sub-item on information contained in non-Annex I national communications in abeyance. Parties agreed and adopted the agenda and organization of work (FCCC/SBI/2009/9). The SBI elected Samuel Ortiz Basualdo (Argentina) as Vice-Chair and Kadio Ahossane (Côte d'Ivoire) as Rapporteur.

PROTOCOL ARTICLE 3.14 (adverse effects and impacts of response measures): The SBI plenary first considered this issue on 8 December and Chair Bratasida, noting constructive discussions at SBI 30, said that discussions under a joint SBI/SBSTA contact group on Protocol Articles 2.3 (adverse impacts of policies and measures) and 3.14 (adverse effects and impacts of response measures), co-chaired by Kristin Tilley (Australia) and Eduardo Calvo Buendia (Peru), would continue on the basis of Annex IV of the Report of SBI 30 (FCCC/SBI/2009/8, Annex IV). Parties met in formal discussions working through documents FCCC/SBSTA/2009/L.10 and FCCC/SBI/2009/L.11 to consolidate options and streamline the text in Annex IV. The SBI closing plenary adopted conclusions on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.25), the SBI agrees to continue discussions on this matter in a joint SBI/SBSTA contact group at SBSTA 32, based on the draft text annexed to the conclusions.

ANNEX I NATIONAL COMMUNICATIONS AND GREENHOUSE GAS INVENTORY DATA: This agenda item included sub-items on national greenhouse gas (GHG) inventory data for 1990-2007, and review of fourth national communications and preparation for the review of fifth national communications. Both sub-items were first considered by SBI on 8 December (FCCC/SBI/2009/12 and INF.9, respectively) and then addressed by parties in joint contact group and informal meetings on Annex I reporting under the Convention and Protocol, co-chaired by Anke Herold (Germany) and Quamrul Islam Chowdhury (Bangladesh).

On national GHG inventory data for 1990-2007, the G-77/China expressed concern at the trend of increasing GHG emissions in Annex I parties and suggested reflecting this concern in the SBI conclusions. The EU noted that its member states are undertaking significant reductions and proposed that the SBI conclusions take note of the report.

On national communications, discussions focused on a date for submitting a sixth national communication. Co-Chair Herold reminded parties that according to decision 10/CP.13, Annex I parties are expected to submit a fifth national communication on 1 January 2010 "with a view to submitting the sixth national communication four years after this date," that is on 1 January 2014. The US, EU, Australia and Russian Federation suggested deciding on the exact date for submitting the sixth national communication at a later stage, pending the outcome of AWG-LCA discussions. The G-77/China proposed fixing the date at this session. The SBI closing plenary adopted the conclusions on Annex I national communications on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.26) the SBI:

- recalls decision 10/CP.13;
- notes that it began consideration of the date of submission of the sixth national communications of Annex I parties but could not agree at this session;
- agrees to set the date of submission at SBI 32, with a view that such a date shall be no later than four years after the due date of submission of the fifth national communications of Annex I parties;
- agrees to forward, at SBI 32, a draft decision, setting the date of submission to COP 16 for adoption; and
- agrees to continue consideration of other matters under this agenda item at SBI 32.

CAPACITY BUILDING (CONVENTION): This agenda item (FCCC/SBI/2009/4-5 and MISCs.1-2) was first considered by the SBI in plenary on 8 December, when Chair Bratasida reported on agreement to defer consideration of the agenda item to SBI 32. SBI conclusions were adopted on 12 December and a draft COP decision was adopted on 18 December.

SBI *Conclusions*: In its conclusions (FCCC/SBI/2009/L.19), the SBI decides to recommend a draft decision for adoption by COP 15. (For more information on the COP decision, see page 7 of this report.)

CAPACITY BUILDING (PROTOCOL): This agenda item (FCCC/SBI/2009/4-5 and 10, and MISCs.1-2 and 8) was first considered by the SBI plenary on 8 December, when Chair Bratasida reported on agreement to defer consideration of the agenda item to SBI 32. SBI conclusions were adopted on 12 December and a draft COP/MOP decision was adopted on 18 December.

SBI *Conclusions*: In its conclusions (FCCC/SBI/2009/L.20) the SBI decides to recommend a draft decision for adoption by COP/MOP 5. (For more information on the COP/MOP decision, see page 15 of this report.)

REPORTING AND REVIEW OF INFORMATION FROM ANNEX I PARTIES UNDER THE PROTOCOL: This issue (FCCC/SBI/2009/INF.8) was first considered by the SBI on 8 December and then in joint contact group and informal meetings on Annex I reporting under the Convention and Protocol. The SBI closing plenary adopted the conclusions on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.23), the SBI takes note of the report on the status of submission and review of information.

ANNUAL COMPILATION AND ACCOUNTING REPORT FOR PROTOCOL ANNEX B PARTIES: This issue (FCCC/KP/CMP/2009/15 and Add.1) was first taken up by the SBI on 8 December, and then in joint contact group and informal meetings on Annex I reporting under the Convention and Protocol. The SBI adopted the conclusions on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.24), the SBI agrees to continue consideration of matters under this agenda item at SBI 32.

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance for the biennium 2008-2009: This agenda item concerns budget performance for the biennium 2008-2009 (FCCC/SBI/2009/11, INF.10 and Corr.1) and continuing review of the functions and operations of the Secretariat. This item was first taken up in SBI plenary on 8 December when UNFCCC Executive Secretary de Boer reported on budget performance in 2008-2009. The SBI adopted conclusions and a draft COP decision and draft COP/MOP decision on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.21), the SBI takes note of the information relating to income and budget performance and the status of contributions and takes note of the information relevant to the continuing review of the functions and operations of the Secretariat administrative, financial and institutional matters for adoption by COP 15 and by the COP/MOP. (For more information on the COP and COP/MOP decisions, see pages 7 and 15 of this report.)

Continuing review of the Secretariat's functions and operation: The SBI adopted conclusions (FCCC/SBI/2009/L.21 and Adds.1 and 2).

Privileges and immunities: This issue (FCCC/ SBI/2009/8) was first considered in SBI plenary on 8 December. The Secretariat explained that the SBI would be invited to refer the draft treaty arrangements to COP/MOP 5. Dessima Williams (Grenada) was appointed to consult informally. The SBI adopted conclusions on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.22), the SBI decides to continue its consideration of this issue at SBI 32 with a view to forwarding a draft text for consideration by the COP/MOP 6.

CONVENTION ARTICLES 4.8 AND 4.9 (ADVERSE EFFECTS): Progress on the implementation of decision 1/CP.10 (Buenos Aires Programme of Work): This issue (FCCC/SBI/2009/MISC.11/Rev.1) was first considered by the SBI plenary on 8 December, and subsequently in contact groups and informal consultations chaired by Thinley Namgyel (Bhutan). Conclusions were adopted by the SBI closing plenary on 12 December.

The focus of the negotiations centered on whether to proceed on the basis of the newly introduced draft decision text proposed by SBI Chair Bratasida. Many developing countries said that their views were not adequately reflected in the text, while developed countries felt that discussions could use the draft text as their basis. The Chair's draft decision text remained unacceptable to some parties and discussions continued on draft conclusions requesting the Chair of the SBI to draft new decision text.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.28), the SBI:

- takes note of documents issued to date on Convention Article 4.8 (adverse effects) and decisions 5/CP.7 (implementation of Article 4.8 and 4.9, of the Convention) and 1/CP.10 (Buenos Aires programme of work);
- recalls that parties were invited to submit views on further action on this matter by 22 March 2010;
- requests the Chair to continue developing draft decision text; and
- agrees to continue work on the matter at SBI 32.

Matters relating to the LDCs: The SBI plenary first considered this issue on 8 December. The LDC Expert Group (LEG) reported on its work (FCCC/SBI/2009/13). The issue was subsequently taken up in informal consultations facilitated by Rence Sore (Solomon Islands). The SBI adopted conclusions on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.27) the SBI, *inter alia*:

- endorses the draft terms of reference for the review of the experiences gained from implementing the LDC work programme;
- requests the Secretariat to prepare a synthesis report on possible elements for a future mandate of the LEG, taking into account these submissions and inputs provided by the LEG at its eighteenth meeting, for consideration at SBI 33; and
- invites parties in a position to do so to continue to provide financial and other resources required for the implementation of the LEG work programme, including for the training workshops on national adaptation programmes of action (NAPA) implementation, as

well as for the timely implementation of priority activities identified in NAPAs, including through contributions to the Least Developed Country Fund.

TECHNOLOGY TRANSFER: This issue (FCCC/SB/2009/4 and Summary, INF.6, and FCCC/SBI/2009/14) was first taken up by the SBI in plenary on 8 December. The EGTT presented its 2009 report (FCCC/SB/2009/INF.6), as well as its report on performance indicators (FCCC/SB/2009/4 and Summary). The GEF reported on progress made in implementing the Poznań strategic programme on technology transfer (FCCC/SBI/2009/14). The issue was then referred to a joint SBI/SBSTA contact group, co-chaired by Carlos Fuller (Belize) and Holger Liptow (Germany). The US urged increased engagement of the private sector in technology transfer. India, for the G-77/China, noted that there may be substantive outcomes on technology from Copenhagen and suggested tailoring the EGTT's work programme to consider such outcomes. He also called for further consideration of the GEF's report on implementation of the Poznań strategic programme on technology transfer, particularly regarding the effectiveness of the implementation. The SBI adopted conclusions on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/L.18), the SBI *inter alia*: endorses the EGTT rolling programme of work for 2010-2011; welcomes the final EGTT report on performance indicators; and invites the GEF to provide a report at SBI 32 on the progress made in implementing the Poznań strategic programme on technology transfer, including the long-term aspects of the programme.

FINANCIAL MECHANISM: This item was first addressed by the SBI plenary on 8 December. It includes the fourth review of the financial mechanism (FCCC/SBI/2009/MISC.10), report of the GEF (FCCC/CP/2009/9) and the special climate change fund. Zaheer Fakir (South Africa) and Cecilia Lei (Canada) co-chaired a contact group on this issue. The SBI closing plenary adopted a conclusion and draft COP decisions on these items.

Fourth Review of the Financial Mechanism: The G-77/China said the fourth review provides an opportunity to look at gaps in implementation of obligations in a comprehensive manner. The LDCs expressed dissatisfaction with implementation of the LDC work programme, stressing that funding should not be restricted to NAPAs. China said developed countries must significantly increase their contributions to the fifth replenishment and reform the GEF to improve its capacity to facilitate implementation post-2012.

The EU welcomed review and guidance ahead of the conclusion of the fifth replenishment, noting the review should provide the basis for progressively defining the role of the GEF in the architecture being defined under the AWG-LCA. During contact group discussions, the EU proposed streamlining the draft conclusions (FCCC/SBI/2009/L.15/Rev.1) by deleting several preambular paragraphs. Australia and Norway called for a focus on core issues. The US said its Congress was considering a request for US$50 million for the GEF for various climate change activities, to be included in the 2010 budget.

During the SBI closing plenary, Co-Chair Lei noted progress made under this agenda item but said that the contact group needs more time to finish its work.

SBI *Conclusion*: The SBI adopted conclusions (FCCC/SBI/2009/L.29), which will serve as the basis for negotiations at SBI 32.

Report of the GEF: The GEF presented its report on 8 December. Highlighting the US$2.7 billion already invested in mitigation, GEF CEO and Chair Monique Barbut emphasized GEF reform centered on four focal points: response to Convention guidance, country ownership, effectiveness and efficiency, and the fifth replenishment.

Switzerland supported the GEF's role as the operating entity of the financial mechanism and as a catalyst for leveraging finance, noting that it was crucial to improve performance. Algeria, for the African Group, said GEF reforms are encouraging but inadequate, noting the need to strengthen urgent priorities for beneficiaries. Barbados acknowledged ongoing work to improve the GEF resource allocation framework and called for a strong fifth replenishment. Benin highlighted the need for closer linkages between the GEF focal points and the UNFCCC. Noting positive GEF reforms resulting in increased access to funds for LDCs, the Gambia expressed hope that the fifth replenishment would enhance funding under the Least Developed Country Fund. Syria called for a reconsideration of financial resource allocation, particularly for adaptation projects. Sudan, for the G-77/China, highlighted concerns relating to predictability and adequacy of funding. With Mali, Rwanda, Antigua and Barbuda and Timor-Leste, she opposed the co-financing requirement, which she said is particularly burdensome for LDCs. Uganda supported monitoring and evaluation of implementing agencies.

Assessment of the Special Climate Change Fund: This matter was first considered in SBI plenary on 8 December and the SBI adopted conclusions on 12 December. SBI 30 invited parties to submit to the Secretariat their views and recommendations on the status of implementation of financing of activities in priority areas defined in decision 1/CP.12. The Secretariat informed parties that views on the matter had not been received from parties.

SBI Conclusions: In its conclusions (FCCC/SBI/2009/31), the SBI agrees to continue its consideration of matters under this agenda item at SBI 32.

CLOSING PLENARY: The closing plenary convened on 12 December and adopted the report of the session (FCCC/SBI/2009/L.17). SBI Chair Bratasida closed the session at 9:15 pm.

HIGH-LEVEL SEGMENT

The welcoming ceremony of the high-level segment took place on Tuesday, 15 December. 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."

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.

OPENING CEREMONY: On 16 December, the opening ceremony of the high-level segment took place. UNFCCC Executive Secretary de Boer explained he had received a letter of resignation by COP/MOP President Hedegaard and, in accordance with the draft rules of procedure, announced the nomination of Danish Prime Minister Lars Løkke Rasmussen as her replacement. He also noted that Connie Hedegaard had been appointed as the COP President's Special Representative and would be continuing her efforts in informal consultations.

Hedegaard noted that as a consequence of the arrival of the large number of Heads of State and Government, it was appropriate that the Prime Minister of Denmark take over the position of the COP President. She also outlined plans by the COP Presidency to table a package for the outcome, consisting of two texts that are "based substantially on the two texts forwarded by the AWGs." She said the texts would be available shortly.

During COP President Rasmussen's opening remarks, several parties raised points of order. Brazil sought clarification on the texts proposed by the Danish COP Presidency, questioning why they were presented when the COP plenary had not convened to consider the AWG-LCA's report. UNFCCC Executive Secretary de Boer informed delegates that the COP plenary would convene in the early afternoon to consider the AWG-LCA's report and decide on how to proceed in terms of taking the documents forward.

Brazil, supported by China, said preparing new texts and focusing subsequent discussions on how to take them forward created the impression that text negotiated by parties would not form the basis of further work. China identified the issue as "one of trust between the host country and parties," noting that the procedure had not been transparent. He stressed that "the only legitimate basis" for an outcome from Copenhagen is an outcome from the AWGs and the Presidency could not "put forward text from the sky." India underscored that only the AWG-LCA and AWG-KP texts negotiated by parties should guide further negotiations. The Maldives proposed moving forward by considering the new texts proposed by the COP Presidency.

Sudan, for the G-77/China, emphasized that parties had agreed on a two-track, party-driven, transparent negotiating process and were not ready to "rubber stamp text coming out of the blue." Ecuador drew attention to "serious procedural problems," highlighting lack of transparency and inclusiveness. South Africa recalled the COP Presidency's undertaking to ensure a party-driven process. Bolivia said the problem was one of substance, not just procedure, highlighting that the Danish texts did not reflect the outcome of a democratic or participatory process.

COP President Rasmussen explained that the Danish texts had not yet been presented and that the Presidency fully respected the will of parties. He reminded parties that the COP plenary would convene in the afternoon and parties could then decide how to proceed.

NATIONAL STATEMENTS: From 16-17 December, the high-level segment heard statements by Heads of State, Heads of Government and other heads of delegation, starting with statements from representatives of the main negotiating groups.

Nafie Ali Nafie, Assistant President of Sudan, for the G-77/China, stressed the need to maintain a two-track outcome under the AWG-KP and AWG-LCA, establish a second commitment period under the Kyoto Protocol on the basis of comparable and ambitious emission reductions, and respect the Convention's principles of equity and common but differentiated responsibilities.

Meles Zenawi, Prime Minister of Ethiopia, for the African Group, noted the importance of Africa speaking with one voice, and outlined a short-term finance proposal that includes: US$10 billion per year for 2010-2012; a board of trustees with representatives from an equal number of donor and recipient countries; 40% of funds earmarked for Africa; and a committee of experts to facilitate the launch of the fund. On long-term financing he said, *inter alia*, that US$100 billion per year by 2020 would be required with at least 50% earmarked for the LDCs and SIDS, and that Africa's share should be administered by the African Development Bank.

Tillman Thomas, Prime Minister of Grenada, for AOSIS, called on all countries to work together to ensure that the Copenhagen outcomes fulfill the hopes and aspirations of millions of people "depending on us to do the right thing to help them stay alive." He stressed that all countries must take "strong measures" to achieve needed emission reductions to achieve the goal of limiting temperature increase to well below 1.5°C and atmospheric greenhouse gas concentrations to below 350 ppm, in accordance with their common but differentiated responsibilities.

Pakalitha Bethuel Mosisili, Prime Minister of Lesotho, for the LDCs, noted progress by LDCs in developing their NAPAs and called for scaling up accessible, predictable and sustainable finance for LDCs that is additional to official development assistance.

Andreas Calgren, Minister for the Environment of Sweden, for the EU, urged parties not to leave Copenhagen without a legally-binding, ambitious, global and comprehensive agreement for all countries, including actions from developed countries and emerging economies. He called on the US to adopt legally-binding, economy-wide emission reduction commitments and on China to adopt binding actions, urging these countries to "unleash their full potential" to enable the world to achieve the objective of limiting the global temperature increase to below 2°C.

Penny Wong, Minister for Climate and Water of Australia, for the Umbrella Group, called for an agreement delivering an environmental outcome and with legally-binding commitments for all major economies in order to realize a 50% reduction in global emissions by 2050. She highlighted the core element of mobilizing US$120 billion from public and private sources, including carbon markets, particularly for vulnerable and LDCs.

From 16 to 17 December, a number of Heads of State, Heads of Government and heads of delegation addressed the high-level segment. On 18 December, the high-level segment heard statements from observer organizations. A webcast of the statements is available online at http://www9.cop15.meta-fusion.com/kongresse/cop15/templ/intro.php?id_kongressmain=1&theme=unfccc

In the morning of 18 December, an informal high-level event was convened by the Prime Minister of Denmark, COP President Rasmussen. The following dignitaries addressed the event: UN Secretary-General Ban Ki-moon, US President Barack Obama, Chinese Premier Wen Jiabao, Ethiopian Prime Minister Meles Zenawi, Brazilian President Luiz Inacio Lula da Silva, Russian President Dmitry Medvedev, Indian Prime Minister Monmohan Singh, Swedish Prime Minister Fredrik Reinfeldt, Colombian President Alvaro Uribe, Japanese Prime Minister Yukio Hatoyama, South African President Jacob Zuma, South Korean President Myung-bak Lee, Grenadian Prime Minister Tillman Thomas, Sudanese Assistant President Nafie Ali Nafie, European Commission President José Manuel Barroso. Lesotho Prime Minister Pakalitha Bethuel Mosisili, Bolivian President Evo Morales and Venezuelan President Hugo Chavéz. A webcast of the informal high-level event is available online at http://www2.cop15.meta-fusion.com/kongresse/cop15/templ/play.php?id_kongressmain=1&theme=unfccc&id_kongresssession=2720

A BRIEF ANALYSIS OF THE COPENHAGEN CLIMATE CHANGE CONFERENCE

The UN Climate Change Conference in Copenhagen was, in many ways, an historic event. It marked the culmination of two years of intensive negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) and the Bali Roadmap, which was agreed by the thirteenth Conference of the Parties (COP 13) in December 2007. Millions of people around the world hoped that "Hopenhagen" would be a turning point in the battle against climate change. The high-level segment brought together 115 Heads of State and Government, and was widely reported as one of the largest high-level gathering outside New York. More than 40,000 people applied for accreditation for the Conference, far exceeding the 15,000 capacity of the Conference venue. Large, and at times violent, demonstrations took place in Copenhagen during the Conference as people urged the world's leaders to reach a meaningful agreement. There is little doubt that the Copenhagen Conference left its mark in history – never before has climate change featured so prominently on the international agenda. However, feelings about the outcome are, at best, mixed and some even consider the Conference to be a failure.

This brief analysis focuses on the Copenhagen outcome, both in terms of substance and process, examining what the outcome might mean for the UNFCCC process, and most importantly, for the battle against climate change.

EXPECTATIONS FOR COPENHAGEN

Early in 2009, UNFCCC Executive Secretary Yvo de Boer identified what he saw as the key deliverables for Copenhagen, namely agreement on: ambitious mid-term emission reductions by developed countries; clarity on mitigation actions by major developing countries; short- and long-term finance; and governance structures. The two key bodies, the *Ad Hoc* Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) and the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) held five negotiating sessions in 2009 before the Copenhagen Conference. Related discussions also took place in various other settings, including the Greenland Dialogue, the Major Economies' Forum on Energy and Climate Change, the Group of Eight (G-8) and the Group of Twenty (G-20).

Negotiations under the AWG-KP made little progress in 2009, with developing countries urging Annex I parties to commit to ambitious emission reduction targets in line with science and developed countries stressing that making progress on "numbers" and providing a meaningful response to climate change requires negotiations that also involve the US and major developing countries. Under the AWG-LCA, the negotiating text evolved into the most complex document in the history of the UNFCCC, with nearly 200 pages reflecting various proposals by all UNFCCC parties and thousands of brackets indicating areas of disagreement. Throughout the year, progress on issues such as adaptation, reducing deforestation and forest degradation in developing countries plus conservation (REDD-plus) and technology was commonly seen as "positive." Countries' positions on finance and mitigation, however, remained entrenched. Many also characterized questions concerning the legal structure of the mitigation framework and the continuation of the Kyoto Protocol beyond 2012 as "clouds" hanging over the negotiations.

As Copenhagen approached and as each negotiating session achieved less than what was needed for an ambitious outcome, many began lowering their expectations, especially concerning a legally-binding outcome. At the same time, rumors circulated about positive progress during various informal meetings, including between China and the US. During the UN Secretary-General's Climate Summit in September over 100 world leaders expressed political will to reach a meaningful outcome in December. Coming to Copenhagen, many hoped that, failing to reach a legally-binding outcome, the unique gathering of international decision-making power would result in a political agreement on the key issues, including quick-start finance to address climate change in developing countries and a process towards a legally-binding agreement in 2010.

DECISIVE MOMENTS IN COPENHAGEN

The Copenhagen Conference was characterized by many dramatic events. From the outset, there were rumors about a "Danish text" that had reportedly been shown to select countries participating in the "Pre-COP 15" in November, with the intention of tabling it in Copenhagen. Indeed, during the first week of the Conference, a document was leaked through *The Guardian* newspaper in the UK, which some veteran negotiators identified as an earlier draft of the "Danish text." In anticipation of the COP Presidency's text for a Copenhagen Agreement, many negotiating groups and *ad hoc* coalitions began working on their own texts, some of which were also leaked to the media. During the opening of the high-level segment on 16 December, the Danish COP Presidency officially announced its intention to table two texts "based substantially on the two texts forwarded by the AWGs." The proposal angered many delegates, especially developing countries, who argued that the proposal undermines their "transparent and democratic" efforts throughout the year to develop negotiating texts under the AWG-LCA and AWG-KP. "Those writing the 'Danish text' are not adequately familiar with the process," lamented another, continuing: "You cannot just assume that you understand these enormously complex issues and come up with something from out of the blue. You should listen and take advice from those who know how this process works."

Informal consultations ensued, taking up an entire day of negotiating time on Wednesday during the second week, at what many saw

as a "critical point" in the Conference. As a result, parties agreed that only texts developed by the AWG-KP and AWG-LCA would be used as a basis for further discussion. While many blamed the Danish COP Presidency for the time wasted, some others voiced concerns over the rejection of the Presidency's proposal: "The texts from the AWG-LCA and AWG-KP are too complicated and full of brackets – Ministers and Heads of State cannot negotiate based on them. Tabling a compromise text would have been a way out. The current situation effectively means that high-level negotiations will need to start from scratch."

There were also other time-consuming procedural hurdles. On Monday, 14 December, the African Group and LDCs, supported by the rest of the G-77/China, called for suspending negotiations under the AWG-LCA and on all other issues under the AWG-KP apart from Annex I parties' further emission reductions beyond 2012. The move was intended as a protest against only AWG-LCA issues being taken up during informal ministerial discussions. "The key outcome from Copenhagen must be extension of the Kyoto Protocol and agreement on Annex I countries' new targets. They must therefore be given adequate consideration at higher level," was the position explained by a developing country delegate. What some characterized as a "walk-out" by the G-77/China caused "severe frustration" among most developed country negotiators. "We have come here to negotiate in good faith and listen to developing country concerns – and all they do is block any progress for procedural reasons," commented one developed country negotiator.

Lengthy discussions also took place on whether to establish "friends of the chair" consultations under the COP on issues being discussed by the AWG-LCA. While many saw this as the only sensible way to move forward, some developing countries strongly opposed and stressed the need for transparent and inclusive processes. "Some agreements have been negotiated with everyone in the room. This must be a transparent process," remarked one developing country delegate. Many other delegates expressed frustration noting that their leaders were already in Copenhagen at a formal dinner hosted by the Queen of Denmark and there were only hours remaining before they would be engaged in the process.

Transparency also dominated discussions concerning the involvement of observers and civil society representatives. The Bella Center, with its 15,000-person capacity, could not accommodate all 40,000 people who had applied for accreditation, comprising more than 21,000 NGOs and 5,000 media with the remainder being parties or intergovernmental organizations. In the beginning of the second week, many spent between six and nine hours queuing in the cold and waiting to register – often in vain. Only a very limited number of civil society delegates were allowed to access the venue during the last critical days of the conference. Many NGO representatives were angry, arguing that their exclusion from the negotiations at such a critical moment was not good for the outcome: "How can we keep up the pressure when we do not know what is going on and are not even allowed near the building where these crucial negotiations are taking place?" asked one NGO representative during COP President Connie Hedegaard's briefing to civil society.

Ultimately, the arrival of 115 Heads of State and Government in Copenhagen changed the dynamics and routine of the negotiations. On the last day, many well-known negotiators were seen nervously waiting in the corridors with everyone else. Presidents and Prime Ministers, followed by their entourages and journalists, were seen rushing from one meeting to another.

Late in the evening on Friday 18 December, "friends of the chair" consultations at the highest political level resulted in an agreement, which was immediately announced by US President Barack Obama before his quick departure back to Washington and widely reported by the media. In fact, many delegates first learned about the Copenhagen Accord on the internet and draft versions of the text were also leaked through the media long before the official UNFCCC document was produced. Most media reports alluded to a deal crafted by a small number of countries. Many close to the process despaired, arguing that announcing an agreement reached by a small group of countries was not democratic or diplomatic. "We are at the United Nations and everyone has to agree before you can report that agreement has been reached," commented one negotiator from a small developing country delegation. Some, however, argued that the only way to "get a real deal" was to get the "big boys" involved – and they would inevitably use their own procedures and tactics. They also stressed that most of them are democratically-elected leaders and directly accountable to their constituencies.

Yet, whether the procedure leading to the Copenhagen Accord was transparent and democratic enough by UN standards was subject to much debate. Late Friday night, COP President and Danish Prime Minister Lars Løkke Rasmussen submitted the "Copenhagen Accord" for formal adoption. The proposal sparked what many saw as an unprecedented and deeply divisive debate. A small number of developing countries, with Venezuela, Bolivia, Cuba and Nicaragua in the forefront, voiced strong objections to an "untransparent and undemocratic" negotiating process and renounced the Copenhagen Accord. Tuvalu also criticized the text and the procedure. Sudan called the Accord "a suicide note for Africa." However, all developed countries, most developing countries, as well as spokespersons for AOSIS, LDCs and the African Group, recognized that the negotiating process had been legitimate and urged COP 15 to adopt the Copenhagen Accord. While willing to admit that the outcome was far from perfect, most countries recognized the Accord as an important step forward. As a result of informal consultations facilitated by UN Secretary-General Ban Ki-moon early on Saturday morning, COP 15 agreed to "take note" of the Copenhagen Accord and establish a procedure without precedent under the UNFCCC for countries willing to do so to register their support for the Accord and submit their targets by 31 January 2010.

Many saw this as an unsatisfactory result. Some also felt that what many media reports seemed to be missing is that while it is very true that many countries – developed and developing ones alike – had serious misgivings about the substance of the Accord, the vast majority considered the negotiating process adequately representative and supported the formal adoption of the Copenhagen Accord.

THE COPENHAGEN ACCORD

In terms of substance, the Copenhagen Accord immediately faced strong criticism. Others, however, argued that the agreement did include a 2°C target and many other important provisions. Indeed, many saw the Copenhagen Accord as a concise document containing an outline of a future framework to address climate change.

Nevertheless, its provisions on mitigation by developed countries are widely seen as "clearly weak" and "a step backwards from the Kyoto Protocol." Developed countries do not commit themselves to legally-binding emission reductions. Similarly, there is no quantification of a long-term global goal for emission reductions, or specific timing for global emissions to peak. Instead, the agreement suggests a bottom-up approach whereby developed and developing countries submit their pledges for information purposes to the Convention, a method advocated most prominently by the US.

With regard to mitigation actions by developing countries, the Accord does not contain any quantified emission reduction objectives and mainly elaborates on the measurement, reporting and verification (MRV) of developing country actions, one of the major stumbling blocks in the negotiations leading to Copenhagen. MRV of unsupported actions are suggested to be done domestically and reported to the Convention through national communications. The Accord, however, does contain some language, reportedly a compromise between the

US and China, stating that there will be some provisions for "international consultations and analysis," a concept yet to be defined. Those actions supported by international finance, technology transfer and capacity building will, however, be subject to international MRV.

What many characterized as "the most successful part of the Accord" relates to short- and long-term financing. Developed countries came to Copenhagen with clear promises to fund mitigation and adaptation actions in developing countries. According to the Copenhagen Accord, US$30 billion for the period 2010-2012 will be provided, and long-term finance of a further US$100 billion a year by 2020 will be mobilized from a variety of sources. The Accord also establishes four new bodies: a mechanism on REDD-plus, a High-Level Panel under the COP to study the implementation of financing provisions, the Copenhagen Green Climate Fund and a Technology Mechanism. Furthermore, the Accord contains a reference to possibly limiting temperature increase to below 1.5°C, as advocated by many SIDS and others, although only with regard to the future assessment of the implementation of the Accord.

"If adopted, the Accord would have been an important step forward towards a better and legally-binding outcome," commented one delegate before leaving the Bella Center. After many long nights of tense negotiations many were, however, reluctant to analyze its legal and operational implications given the "exceptional procedure" through which the Accord was adopted. In particular, the basis for operationalizing the financing provisions in the text is uncertain, which many have pointed out is very unfortunate and detrimental to those developing countries that really need it. To delegates leaving Copenhagen the future also remained somewhat unclear. The COP and COP/MOP agreed to extend the mandate of the AWG-LCA and AWG-KP for another year. No decision was taken, however, on when and where the negotiations would continue.

COPENHAGEN IN CONTEXT

Now that the last "confusing" and "highly emotional" moments in Copenhagen are history, the question remains of how the Conference and its outcome should be characterized in the larger scheme of things. Was Copenhagen a failure? There seems to be no question that the deep divisions and ill will that characterized the negotiations and the resulting Copenhagen Accord were disappointing to many negotiators and observers alike. However, when looking back through the history of the UNFCCC, there has been important progress in the past five years. In other words, long-term discussions have evolved from an informal one-day seminar for government experts in May 2005, through the Convention Dialogue and Bali Roadmap, to the Copenhagen Conference, where, for the very first time, the majority of the world's leaders gathered to frankly and seriously discuss climate change – now commonly recognized as a serious threat to humanity. Their discussions also covered a full range of formerly "unmentionable" issues, such as adaptation and mitigation by developing countries. Agreement was reached on mitigation actions by both developed and major developing countries, and billions of US dollars were pledged for short- and long-term finance. Had the threat posed by climate change not been so urgent and serious, delegates would therefore have had every reason to be satisfied with their achievements over the past few years. However, as things stand, the Copenhagen outcome highlights that an enormous amount of work remains to be done before people can safely believe that the world has seen a turning point in the fight against climate change. It remains to be seen whether the political and public profile created in Copenhagen can be translated into a binding and ambitious international agreement on climate change.

UPCOMING MEETINGS

INTERGOVERNMENTAL MEETING FOR THE HIGH-LEVEL TASKFORCE ON THE GLOBAL FRAMEWORK FOR CLIMATE SERVICES: This meeting will take place from 11-12 January 2010, in Geneva, Switzerland. This meeting is being organized following a decision of the World Climate Conference 3 (WCC-3), which called for the establishment of the High Level Taskforce on the Global Framework for Climate Services. For more information, contact WMO: tel: +41-22-730-8111; fax: +41-22-730-8181; e-mail: hlt@wmo.int; internet: http://www.wmo.int/hlt-gfcs/index_en.html

FOURTH INTERNATIONAL CONFERENCE ON COMMUNITY-BASED ADAPTATION (CBA): This event will take place from 21-27 February 2010, in Dar es Salaam, Tanzania. The conference aims to share and consolidate the latest developments in CBA planning and practice in different sectors and countries among practitioners, policymakers, researchers, funders and the communities at risk. For more information, contact Saleemul Huq or Hannah Reid; tel: +44-(0)20-7388-2117; fax: +44-(0)20-7388-2826; e-mails: saleemul.huq@iied.org or hannah.reid@iied.org; internet: http://www.iied.org/climate-change/key-issues/community-based-adaptation/cba-conference

32ND SESSIONS OF THE UNFCCC SUBSIDIARY BODIES, AWG-LCA 9 AND AWG-KP 11: The 32nd sessions of the Subsidiary Bodies of the UNFCCC – the SBI and the SBSTA – are scheduled to take place from 31 May to 11 June 2010, in Bonn, Germany. At the same time AWG-LCA 9 and AWG-KP 11 will also take place. For more information, contact UNFCCC Secretariat: tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: http://unfccc.int/

18TH COMMONWEALTH FORESTRY CONFERENCE: This meeting will convene from 28 June to 2 July 2010 in Edinburgh, Scotland. The theme of this conference is "Restoring the Commonwealth's Forests: Tackling Climate Change." For more information, contact the conference organizers: tel: +44-131-339-9235; fax: +44-131-339-9798; e-mail: cfcc@in-conference.org.uk; internet: http://www.cfc2010.org/

2010 INTERNATIONAL CLIMATE CHANGE ADAPTATION CONFERENCE: This event will be held from 29 June to 1 July 2010 in Gold Coast, Australia. The event will focus on "preparing for the unavoidable impacts of climate change, and will be co-hosted by Australia's National Climate Change Adaptation Research Facility and the CSIRO Climate Adaptation Flagship. For more information contact the Conference Secretariat: tel: +61-7-3368-2422; fax: +61-7-3368-2433; e-mail: nccarf-conf2010@yrd.com.au; internet: http://www.nccarf.edu.au/conference2010

SECOND INTERNATIONAL CONFERENCE ON CLIMATE, SUSTAINABILITY AND DEVELOPMENT IN SEMI-ARID REGIONS (ICID II): This meeting will take place from 16-20 August 2010, in Fortaleza, Brazil. ICID I was held in 1992 in the run up for the Rio Conference. For more information, contact the Executive Secretariat: tel: +55-61-3424-9634; e-mail: contact@icid18.org; internet: http://icid18.org

WORKSHOP ON FOREST GOVERNANCE, DECENTRALIZATION AND REDD IN LATIN AMERICA: This meeting will convene from 30 August to 3 September 2010, in Mexico City, Mexico. For more information, contact CIFOR: tel: +62-251-8622-622; fax: +62-251-8622-100; e-mail: cifor@cgiar.org; internet: http://www.cifor.cgiar.org/Events/CIFOR/decentralisation-redd.htm

DELHI INTERNATIONAL RENEWABLE ENERGY CONFERENCE (DIREC): This event will take place from 27-29 October 2010,

in New Delhi, India. It will be the fourth global ministerial level conference on renewable energy, and will consist of a ministerial meeting, business-to-business and business-to-government meetings, side events and a trade show and exhibition. For more information, contact Rajneesh Khattar; tel: +91-11-4279-5054; fax: +91-11-4279-5098/99; e-mail: rajneeshk@eigroup.in; internet: http://direc2010.gov.in

SIXTEENTH SESSION OF THE UNFCCC COP AND SIXTH MEETING OF THE COP SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL: This meeting is tentatively scheduled to take place from 29 November - 10 December, in Mexico City, Mexico. For more information, contact UNFCCC Secretariat: tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: http://unfccc.int/

GLOSSAIRE

AOSIS	Alliance of Small Island States
AAU	Assigned Amount Unit
ALBA	Bolivarian Alliance for the Peoples of Our America
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
BAP	Bali Action Plan
CCS	Carbon capture and storage
CDM	Clean Development Mechanism
CDM EB	CDM Executive Board
CER	Certified Emission Reductions
CGE	Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention
COP	Conference of the Parties
COP/MOP	Conference of the Parties serving as the Meeting of the Parties
EGTT	Expert Group on Technology Transfer
GCOS	Global Climate Observing System
GEF	Global Environment Facility
GHG	Greenhouse gas
GWP	Global warming potential
HFC	Hydrofluorocarbon
IPCC	Intergovernmental Panel on Climate Change
JI	Joint Implementation
JISC	Joint Implementation Supervisory Committee
LDC	Least developed country
LULUCF	Land use, land use change and forestry
NAMA	Nationally appropriate mitigation actions
NAPA	National Adaptation Programmes of Action
NWP	Nairobi Work programme on impacts, vulnerability and adaptation to climate change
MRV	Measurable, reportable and verifiable
ppm	Parts per million
QELRO	Quantified emission limitation and reduction objective
REDD-plus	Reducing emissions from deforestation and forest degradation in developing countries, plus conservation
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technical Advice
SIDS	Small island developing state
UNFCCC	UN Framework Convention on ClimateChange

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