

## UN CLIMATE CHANGE CONFERENCE: 1-7 OCTOBER 2011

The UN Climate Change Conference in Panama City begins today and is scheduled to conclude on 7 October 2011. The conference will include the third part of the 16th session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the third part of the 14th session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA).

The work of AWG-KP and AWG-LCA will continue based on agendas adopted during the UN Climate Change Conference in Bangkok, which took place from 3-8 April 2011. The AWG-KP's work will be undertaken in a contact group on further commitments for Annex I Parties under the Kyoto Protocol, with work on specific issues in spin-off groups.

The AWG-LCA will work on all agenda items in informal groups under the contact group, taking into account recommendations made at the June session in Bonn for focused in-depth work to facilitate progress on technical issues.

### A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, which sets 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 195 parties.

In December 1997, delegates to the third session of the Conference of the Parties (COP) in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known as Annex I parties under the UNFCCC, 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 now has 193 parties.

At the end of 2005, the first steps were taken to consider long-term issues. Convening in Montreal, Canada, the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1) decided to establish the

AWG-KP on the basis of Protocol Article 3.9, which mandates consideration of Annex I parties' further commitments at least seven years before the end of the first commitment period. COP 11 agreed 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. Negotiations resulted in the adoption of the Bali Action Plan. Parties established the AWG-LCA with a mandate to focus on key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance, technology and a shared vision for long-term cooperative action. The Bali conference also resulted in agreement on the Bali Roadmap, based on two negotiating tracks under the Convention and the Protocol, and set a deadline for concluding the negotiations at COP 15 and COP/MOP 5 in Copenhagen in December 2009.

**COPENHAGEN CLIMATE CHANGE CONFERENCE:** The UN Climate Change Conference in Copenhagen, Denmark, took place from 7-19 December 2009, and included COP 15 and COP/MOP 5, the 31st sessions of the SBI and the SBSTA, as well as AWG-KP 10 and AWG-LCA 8. Over 110 world leaders attended the joint COP and COP/MOP high-level segment from 16-18 December.

The conference was marked by disputes over transparency and process. During the high-level segment, informal negotiations took place in a group consisting of major economies and representatives of regional and other negotiating groups. Late in the evening of 18 December, these talks resulted in a political agreement: the "Copenhagen Accord," which was then presented to the COP plenary for adoption. Over the next 13 hours, delegates debated the Accord. Many supported adopting it as a step towards securing a "better" future agreement. However, some developing countries opposed the Accord, which they felt had been reached through an "untransparent" and "undemocratic" negotiating process. Ultimately, the COP agreed to "take note" of the Copenhagen Accord. It established a process for parties to indicate their support for the Accord and, during 2010, over 140 countries did so. More than 80 countries also provided information on their national emission reduction targets and other mitigation actions.

On the last day of the Copenhagen Climate Change Conference, the COP and COP/MOP also agreed to extend the mandates of the AWG-LCA and AWG-KP, requesting them to present their respective outcomes to COP 16 and COP/MOP 6.

### **CANCUN CLIMATE CHANGE CONFERENCE:**

Following four preparatory meetings in 2010, the UN Climate Change Conference in Cancun, Mexico, took place from 29 November to 11 December 2010. By the end of the conference, parties finalized the Cancun Agreements, which include decisions under both negotiating tracks.

Under the Convention track, Decision 1/CP.16 recognized the need for deep cuts in global emissions to achieve the 2°C target. Parties also agreed to consider strengthening the global long-term goal during a review by 2015, including in relation to the 1.5°C target. They took note of emission reduction targets and nationally appropriate mitigation actions (NAMAs) communicated by developed and developing countries respectively (FCCC/SB/2011/INF.1/Rev.1 and FCCC/AWGLCA/2011/INF.1, both issued after Cancun), and agreed to discuss them during workshops in 2011. Decision 1/CP.16 also addressed other aspects of mitigation, such as measuring, reporting and verification (MRV); and reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+).

Parties also agreed to establish several new institutions and processes. These included the Cancun Adaptation Framework and the Adaptation Committee, as well as the Technology Mechanism, which includes the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN). On finance, Decision 1/CP.16 created the Green Climate Fund (GCF), which was designated as the new operating entity of the Convention's financial mechanism and is to be governed by a board of 24 members. Parties agreed to set up a Transitional Committee tasked with the Fund's detailed design, and established a Standing Committee to assist the COP with respect to the financial mechanism. They also recognized the commitment by developed countries to provide US\$30 billion of fast-start finance in 2010-2012, and to jointly mobilize US\$100 billion per year by 2020.

Under the Protocol track, Decision 1/CMP.6 included agreement to complete the work of the AWG-KP and have the results adopted by the COP/MOP as soon as possible, and in time to ensure there will be no gap between the first and second commitment periods. The COP/MOP urged Annex I parties to raise the level of ambition of their emission reduction targets with a view to achieving aggregate emission reductions consistent with the range identified in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. Parties adopted Decision 2/CMP.6 on land use, land-use change and forestry (LULUCF).

The mandates of the two AWGs were also extended until the next UN Climate Change Conference, in Durban, South Africa, to be held from 28 November to 9 December 2011.

**UN CLIMATE CHANGE TALKS IN BANGKOK:** After Cancun, the two AWGs resumed their work in Bangkok from 3-8 April 2011. The AWG-LCA spent the Bangkok session engaged in procedural discussions on its agenda. Following a week of negotiations, agreement was reached on the agenda that formed the basis of work for the resumed AWG-LCA 14 in Bonn. Under the AWG-KP, parties focused on key policy issues hindering progress under the Protocol track.

**UN CLIMATE CHANGE TALKS IN BONN:** The UN Climate Change Conference took place in Bonn, Germany, from 6-17 June 2011 and included the 34th sessions of the Subsidiary Body on Implementation (SBI) and the Subsidiary Body on Scientific and Technological Advice (SBSTA), as well as the second parts of AWG-LCA 14 and AWG-KP 16.

The SBSTA's closing plenary agreed to consider, at its next session, the proposed new item on impacts of climate change on water and integrated water resources management under the Nairobi Work Programme on impacts, vulnerability and adaptation. No agreement was reached on other proposed new items, such as blue carbon and rights of nature and the integrity of ecosystems, and a work programme on agriculture.

Under the SBI, work was launched on national adaptation plans, and loss and damage, the consideration of which was mandated by the Cancun Agreements, the agenda item relating to MRV remained in abeyance. Proposed new items related to the impacts of the implementation of response measures also featured prominently in the agenda discussions. As a result, the SBI and SBSTA Chairs convened a forum on the impact of the implementation of response measures organized as a contact group.

The focus of the AWG-KP was on outstanding political issues and conditionalities set by various Annex I countries for taking on new commitments during a second commitment period. Despite initial opposition from developing countries, parties also undertook technical work on issues, including LULUCF, the flexibility mechanisms and methodological issues. Progress made was captured in a revised proposal by the AWG-KP Chair (FCCC/KP/AWG/2011/CRP.1).

Under the AWG-LCA, substantive work began, based on Decision 1/CP.16. Parties worked in a single contact group and informal groups on adaptation, finance, technology, capacity building, shared vision, review of the global long-term goal, legal options, and diverse issues related to mitigation. Parties agreed that notes prepared by the facilitators of the AWG-LCA informal groups be carried forward to the third part of AWG-LCA 14. While progress was made on some issues, many felt that the outcomes were relatively modest and a lot of work remains before COP 17 in Durban, South Africa.

### **INTERSESSIONAL HIGHLIGHTS**

**FIRST MEETING OF THE TEC:** The first meeting of the TEC took place from 1-3 September 2011, in Bonn, Germany. Discussions focused on how the TEC will provide overviews of technology needs, assess policy and technical issues related to technology development and transfer, share information on new and innovative technologies and find ways to engage stakeholders to build momentum for the technology mechanism.

**THIRD MEETING OF THE TRANSITIONAL COMMITTEE FOR THE DESIGN OF THE GCF:** The third meeting of the Transitional Committee for the design of the GCF took place from 11-13 September 2011, in Geneva, Switzerland. The meeting in Geneva was preceded by a workshop on the role of the GCF in fostering transformational change, engaging civil society and leveraging the private sector. The meeting resulted in broad agreement on the importance of private sector engagement and advanced understanding on how the GCF will function.

**MAJOR ECONOMIES FORUM ON ENERGY AND CLIMATE CHANGE (MEF):** The 12th meeting of the MEF met from 16-17 September 2011, in Washington, DC. The meeting brought together representatives from 17 major developed and developing economies, plus representatives of Colombia, New Zealand, Singapore and Spain, to discuss the road forward on climate change, and partnerships and regional agreements on clean energy and climate. Discussions focused on funding for developing countries and other aspects of the Cancun Agreements.

## AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: SATURDAY, 1 OCTOBER 2011

The UN Climate Change Conference opened on Saturday morning in Panama City with a welcoming ceremony. The opening plenaries of the third parts of the 16th session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the 14th session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention also took place in the morning.

In the afternoon, the AWG-LCA contact group and the AWG-KP contact group on Annex I parties' further commitments convened. Informal groups under the AWG-LCA on technology transfer and the Review also took place.

### WELCOMING CEREMONY

Opening the session, UNFCCC Executive Secretary Christiana Figueres called on parties to bridge remaining differences in Panama to facilitate agreement in Durban. She highlighted progress on the design of the Green Climate Fund (GCF) and the Technology Executive Committee (TEC), but underscored the need for progress on monitoring, review and verification (MRV) and the Review. Figueres stressed that negotiations are working against the clock under the Kyoto Protocol and said Durban needs to address further commitments for developed countries under the Protocol and the evolution of the mitigation framework under the Convention for developed and developing countries.

Roberto Henríquez, Minister of Foreign Affairs, Panama, welcomed participants, observing that this meeting is a small but significant step in the path towards the global objective of addressing climate change. He underscored that COP 17 must take key steps, including adoption of a second commitment period under the Kyoto Protocol and decisions to achieve the objectives of the Bali Action Plan (BAP).

### AWG-KP OPENING PLENARY

**ORGANIZATIONAL MATTERS:** Opening the resumed session of the AWG-KP, AWG-KP Chair Adrian Macey (New Zealand) presented the scenario note on the third part of the sixteenth session (FCCC/KP/AWG/2011/5). He suggested resuming the five spin-off groups on Annex I parties' further commitments; land use, land-use change and forestry (LULUCF); the flexibility mechanisms; other issues; and potential consequences. He said informal consultations would be held on whether to convene a legal group. Parties agreed to the organization of work.

AWG-KP Chair Macey underscored the need to define the nature and content of rules for the second commitment period of the Kyoto Protocol, and its relationship with the AWG-LCA outcome.

**OPENING STATEMENTS:** SOUTH AFRICA reported on informal consultations held in the run-up to Durban, emphasizing efforts to ensure transparency and inclusiveness. On key challenges for Durban, she underscored a decision on a second commitment period under the Kyoto Protocol, that is linked to the legal status and form of the future climate change regime. She highlighted views expressed in consultations, including: a possible mandate for a process towards a comprehensive legally-binding agreement with agreed timeframes and milestones; that the Review could be a vehicle for progress towards a legally-binding agreement; and the need to build trust through clear MRV rules.

Argentina, for the G-77/CHINA, expressed concern at the lack of progress under the AWG-KP, emphasizing that political will is key for establishing a second commitment period. He also called for overcoming the wide gap between developed country emission reduction pledges and what is required by science, equity and historical responsibility.

The Democratic Republic of the Congo, for the AFRICAN GROUP, stressed that agreement on a second commitment period is "absolutely essential," observing that Durban should result in a legally-binding outcome under the AWG-KP.

Poland, for the EUROPEAN UNION (EU), reiterated their willingness to consider a second commitment period under the Kyoto Protocol. He emphasized the need to preserve the multilateral rules-based approach in Durban.

Australia, for the UMBRELLA GROUP, underscored the need for an overarching agreement in Durban that is able to enhance ambition over time. She said the Kyoto Protocol alone cannot solve climate change and stressed the need for a global agreement that includes all major emitters.

The Gambia, for the LEAST DEVELOPED COUNTRIES (LDCs), underscored the need to resolve outstanding issues to enable adoption of a second commitment period. He also stressed the need to ensure that there is no gap between the first and subsequent commitment periods.

Monaco, on behalf of the ENVIRONMENTAL INTEGRITY GROUP (EIG), highlighted the importance of progress on technical issues, such as LULUCF, the transformation of emission reduction pledges into quantified emission limitation and reduction objectives (QELROs), carry-over of surplus assigned amount units (AAUs), and the flexibility mechanisms.

Emphasizing that Durban should result in a second commitment period under the Kyoto Protocol, Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), called for improving the effectiveness of the Kyoto Protocol by closing loopholes and ensuring its continuity by adopting an amendment in Durban to be provisionally applied pending its entry into force.

Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, called for rules on LULUCF to ensure accurate land-based accounting and limits on the use of surplus AAUs. She highlighted the possible role of REDD+ in complementing developed country domestic mitigation efforts and supporting developing country efforts in sustainable forest management.

Egypt, for the ARAB GROUP, noted that a second commitment period under the AWG-KP is “fundamental,” reiterating that efforts to impede agreement will be detrimental to developing countries.

Bolivia, speaking on behalf of the BOLIVARIAN ALLIANCE FOR THE PEOPLES OF OUR AMERICA (ALBA), opposed convening a spin-off group on legal issues as it might lead to a “legal vacuum” by giving some countries the opportunity to opt out of future agreements.

Samoa, speaking for the CARTAGENA DIALOGUE, underscored the need for the Panama meeting to deliver serious technical work on the key elements of the Cancun package and “candid” dialogue on the future of the Kyoto Protocol and a legally-binding agreement.

International Emissions Trading Association, for BUSINESS AND INDUSTRY, underscored the success of the Clean Development Mechanism (CDM) and said the CDM should not be allowed to lapse purely for political reasons.

Climate Action Network, for ENVIRONMENTAL NGOS (ENGOs), called on parties to close loopholes that can undermine emission reductions, such as LULUCF, and ensure the comparability of Annex I emission reductions commitments.

The Pan-African Climate Justice Alliance, for ENGOs, lamented the refusal of some Annex I countries to inscribe targets under a second commitment period and emphasized that a pledge and review framework cannot replace the Kyoto Protocol.

Fundación para la Promoción del Conocimiento Indígena, for INDIGENOUS PEOPLES, called for climate change initiatives to consider the full effective participation of indigenous peoples, including free prior informed consent and ensuring the GCF and REDD+ respect and support indigenous peoples’ rights.

#### **AWG-LCA OPENING PLENARY**

Opening the resumed session of AWG-LCA 14, AWG-LCA Chair Daniel Reifsnyder (US) called on parties to work on developing draft decision text on all the elements under the AWG-LCA.

UNFCCC Executive Secretary Christiana Figueres provided an overview on the meetings held by the Transitional Committee for the design of the GCF, noting good progress. She also reported on the first meeting of the TEC held in Bonn, Germany.

BOLIVIA highlighted the “Days of Citizen Participation” event, held from 16-18 September, bringing together 3000 representatives of the Andean Community of Nations.

On fast-start finance, AWG-LCA Chair Reifsnyder observed that submissions had been received from a number of parties (UNFCCC/CP/2011/INF.1) and informed participants that an information event would be held on 3 October.

**ORGANIZATIONAL MATTERS:** Referring to the proposed organization of work (FCCC/AWGLCA/2011/10), AWG-LCA Chair Reifsnyder suggested that work be resumed on all substantive items established during the second part of AWG-LCA 14, in June. He clarified that the in-depth work identified by the facilitators during the Bonn session comprises part of the work of informal groups, and that items listed are not meant to be prescriptive. Parties agreed to the organization of work.

**OPENING STATEMENTS:** Argentina, for the G-77/CHINA, emphasized the group’s commitment to the fulfillment of the BAP and finding appropriate solutions to issues not addressed in Cancun. He called on parties to ensure a transparent and inclusive process aimed at producing negotiating texts for Durban.

Switzerland, for the EIG, emphasized the need to leave Panama with clarity on the road ahead, and “a negotiating text in hand.”

Venezuela, for ALBA, underscored achieving the objectives of the BAP and fulfilling legal obligations, without excuses or conditionalities.

The Democratic Republic of Congo, for the AFRICAN GROUP, called for a balanced science-based outcome in Durban to implement both the Convention and the Kyoto Protocol. He expressed concern over the lack of attention given to the Adaptation Framework, sources and scale of finance, and comparable mitigation efforts for all Annex I Parties.

The EU said developing draft decision texts in Panama is key for a successful outcome in Durban and called for work towards a comprehensive legally-binding framework engaging all parties, including major economies. He said the “ambition gap” has to be resolved and urged development of a robust, transparent and rigorous MRV framework. He said discussions in Panama must address the legal form, including options for Durban and a roadmap to reach the 2°C target.

Australia, for the UMBRELLA GROUP, called for an effective global climate change framework and highlighted a package of elements that would enable progress and ensure environmental integrity, including: international consultation and analysis (ICA); international consultation and review (IAR); and MRV. She underscored, *inter alia*: ambitious mitigation actions by all major emitters; fully implementing the Cancun Agreements; and developing draft text on IAR, ICA and biennial reports.

Saudi Arabia, for the ARAB GROUP, stressed that adaptation to climate change involves both adaptation to the impacts of climate change and adaptation to the impacts of response measures.

Grenada, for AOSIS, called on parties to finalize the design and operationalization of the essential functions of the new mechanisms established by the Cancun Agreements. She emphasized that increasing mitigation ambition should be a priority and that the outcomes of the AWG-LCA should be captured in a legally-binding instrument.

Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, proposed working towards the adoption of a specific decision on financing options for the full implementation of REDD+ results-based actions, in Durban.

El Salvador, for the CENTRAL AMERICAN INTEGRATION SYSTEM (SICA), emphasized the need to operationalize the GCF in Durban. He urged avoiding parallel processes, which could marginalize and exclude some UNFCCC parties.

The Gambia, for LDCs, called for discussions in Panama to lay the basis for a balanced and legally-binding outcome in Durban that delivers on the mandates in the Cancun Agreements.

Belarus, for ECONOMIES IN TRANSITION (EITs), explained that transitional economies face difficulties moving towards a low carbon economy and require support through best practices.

#### **CONTACT GROUPS AND INFORMAL CONSULTATIONS**

**AWG-LCA:** During the afternoon contact group, AWG-LCA Chair Reifsnyder proposed and parties agreed to continue the work of the AWG-LCA in one contact group, which will meet periodically to “touch-base on progress,” while informal groups will address substantive issues. He said the groups would be organized as follows: shared vision, facilitated by AWG-LCA Vice-Chair Margaret Mukahanana-Sangarwe (Zimbabwe); developed country mitigation, co-facilitated by José Alberto Fernández Garibaldi (Peru) and Karine Herzberg (Norway); developing country nationally appropriate mitigation actions (NAMAs), co-facilitated by Fernández Garibaldi and Herzberg; REDD+, facilitated by Antonio Gabriel La Viña (the Philippines); sectoral approaches and sector-specific actions, facilitated by La Viña; various approaches including opportunities for using markets to enhance the cost-effectiveness of, and to promote, mitigation actions, facilitated by Giza Gaspar Martins (Angola); response measures, facilitated by Crispin d’Auvergne (Saint Lucia); adaptation, facilitated by Kishan

Kumarsingh (Trinidad and Tobago); finance, co-facilitated by Georg Børsting (Norway) and Suzanty Sitorus (Indonesia); technology transfer, facilitated by Jukka Uosukainen (Finland); capacity building, facilitated by Uosukainen; the Review, facilitated by AWG-LCA Vice-Chair Mukahanana-Sangarwe; legal options, facilitated by María del Socorro Flores (Mexico); and other matters, facilitated by Kunihiko Shimada (Japan). Chair Reifsnyder proposed that Burhan Gafoor (Singapore) facilitate informal discussions on the level of ambition (paragraphs 36-38 and 48-51 of the Cancun Agreements). CHINA preferred addressing the issue in the informal groups on developed country mitigation and developing country NAMAs. Informal consultations will address how to carry this issue forward. Parties agreed that the first and last sessions of each informal group would be open to observers.

**ANNEX I PARTIES' FURTHER COMMITMENTS (AWG-KP):** AWG-KP Chair Adrian Macey (New Zealand) opened the contact group on Annex I parties' further commitments, which he underscored would focus on political issues and any issues forwarded by the substantive spin-off groups. He suggested discussing, *inter alia*: the extent to which the transformation of pledges into QELROs is possible in Durban; how to address the level of ambition, including the aggregate level of ambition and moving parties from the low to the high end of pledge ranges; and addressing a possible gap between commitment periods, such as through provisional application of an amendment.

Saint Lucia, for AOSIS, called for: transforming current pledges on the table into QELROs to enable progress in discussions; enhancing ambition by closing loopholes in the Kyoto Protocol; provisional application of "any agreement" on a second commitment period to resolve the issue of the gap; and discussion of consequential amendments.

The EU called for clarity on parties' pledges, including on a starting point and the length of the commitment period, which are prerequisites for determining QELROs. Reiterating that their stance on the second commitment period has not changed, JAPAN emphasized they would not make emission reductions pledges within the framework of a second commitment period.

AUSTRALIA called for strengthening accounting rules in both AWG tracks, and cautioned against developing two different sets of rules. She reiterated the need for reaching a balanced agreement, including all major emitters, without which a gap between commitment periods is inevitable. PERU emphasized the importance of a second commitment period for preserving a rules-based system, rather than a system based on pledge-and-review.

NEW ZEALAND reiterated that they remain prepared to take on a second commitment period in the context of a comprehensive global agreement that contains legally-binding emission reduction targets for all major emitters.

On the CDM, the EU explained that demand for CDM projects and emission reduction credits will continue in Europe, regardless of a second commitment period, and suggested that discussions be more constructively framed as striving for "smooth continuity" in the post-2012 regime, rather than emphasizing the gap between commitment periods.

VENEZUELA, with BRAZIL and BOLIVIA, underscored that the CDM cannot function outside of the context of QELROs, and therefore without a second commitment period. VENEZUELA said the CDM has a "shameful" record on hydrochlorofluorocarbons (HCFCs), which increase pollution, while BOLIVIA highlighted their negative experiences with CDM projects. BRAZIL and INDIA expressed concern about the possible proliferation of bilateral mechanisms and, with CHINA, noted the value of the CDM. VENEZUELA and NICARAGUA stressed that countries should not be able to select beneficial elements of the multilateral process, while neglecting difficult elements.

The EU acknowledged that there is "room for improvement" on HCFC-23 credits and said they would be banned in the EU in the near future. He also said that ratification of a Durban decision would take time and emphasized the need to ensure continuity. JAPAN underscored the achievements of the CDM in promoting sustainable development in developing countries.

The Chair said discussions on these issues will resume during the next contact group.

**REVIEW (AWG-LCA):** In the informal group on the Review of the long-term global goal, parties discussed the way forward based on notes prepared by the facilitator during the Bonn meeting (FCCC/AWGLCA/2011/CRP.9), which included submissions made by parties.

Some parties called for their submissions to be better reflected in the facilitator's note, while some requested the opportunity to provide further input. Parties agreed that the facilitator should eliminate repetition, integrate new and previous submissions, and use the revised notes as a basis for discussions in the next meeting.

**TECHNOLOGY TRANSFER (AWG-LCA):** The informal group on technology convened in the afternoon. Three proposals for draft decisions from parties were presented on the elements of the governance structure, terms of reference for the climate technology centre (CTC) and requests for proposals from organizations to host the CTC.

Parties then discussed issues including: the relationship between the host institution and the COP and the TEC; linkages between the TEC and the CTC; the respective roles of the CTC and the network; and the function and composition of a proposed six member selection panel for reviewing host institution proposals. Parties agreed that the draft decisions would be integrated into a compilation document by the facilitator.

### IN THE CORRIDORS

As delegates made their way to the welcoming reception after their first day in the ATLAPA Convention Center, some delegates appeared optimistic regarding making progress at this meeting. They expressed willingness to work on developing draft text, noting the convivial and collaborative atmosphere in the AWG-LCA informals on review and technology. However, others remained resignedly skeptical. As one delegate succinctly put it: "too much, too little and too late." While another opined that avoiding the "politicization" of technical issues would go a long way towards making meaningful progress towards Durban.

Under the AWG-KP, according to one veteran of the process, the afternoon discussions on the future role and continued existence of the CDM embodies a wider tension in the AWG-KP. "On the one hand, developed countries are seeking clarity on rules for commitments," he said, "on the other, developing countries are wanting to see an agreement on the level of ambition." Another senior negotiator worried that the discussions on CDM "reflect a step back from progress achieved in Bangkok and Bonn."

In light of the importance of this meeting as the last negotiating session before Durban, the incoming South African presidency plans to conduct informal consultations on key outcomes in Panama and hold a focused interactive session where parties will be asked to respond to specific questions that will be made available on the UNFCCC website. The South African minister is expected to arrive on Monday to interact with delegates and to continue the consultations. Some saw this as indicative of the importance the South Africans are giving to consultations prior to Durban, and the critical nature of this meeting in making progress and bringing something substantial from Panama to Durban.



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## AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: SUNDAY, 2 OCTOBER 2011

The UN Climate Change Conference continued in Panama City with informal groups meeting throughout the day. In the morning, the informal groups on developed country mitigation and other matters, including groups on economies in transition (EITs) and countries with special circumstances, convened under the AWG-LCA, along with an “in-depth” discussion in the informal group on capacity building. The AWG-KP spin-off group on LULUCF also took place in the morning.

In the afternoon, the AWG-LCA informal groups on adaptation, developing country NAMAs, technology transfer, shared vision and finance convened. The AWG-KP spin-off groups on numbers and the flexibility mechanisms also took place.

### AWG-LCA INFORMAL GROUPS

**DEVELOPED COUNTRY MITIGATION:** During the morning informal consultations parties were invited to consider the way forward. Many parties supported focusing discussions on IAR and biennial reports. While some parties highlighted the need for balanced progress between developed and developing countries mitigation discussions, others underscored that the balance should be achieved by seeking progress under the AWG-KP and the AWG-LCA tracks. Many parties highlighted the need to leave Panama with a clear text on mitigation.

On IAR, SOUTH AFRICA suggested focusing on process. Highlighting the need for draft text on IAR, AUSTRALIA called for making use of existing COP guidance and reviewing the extent to which parties have achieved quantified economy wide emission reduction targets. With SWITZERLAND and the US, she suggested focusing on operational elements. AUSTRALIA and NORWAY proposed integrating biennial reports and IAR into existing reporting to avoid duplication. BRAZIL called for enhancing comparability as part of the IAR process. Saint Lucia, for AOSIS, and INDIA underscored the importance of common accounting rules for comparability.

On compliance, BRAZIL, with AOSIS, noted the need for IAR to build on existing review processes and for review options that are compatible with the continuation of the Kyoto Protocol and with Protocol Article 8 (review). VENEZUELA, CHINA and MALI said IAR should contain, in part, a compliance

mechanism. NORWAY emphasized that the review should provide a clear technical basis indicating whether a party is on track to meeting commitments.

BRAZIL, INDIA, VENEZUELA and CHINA emphasized that IAR and ICA are two separate processes. Parties agreed that the facilitator would draft a concise note on IAR based on parties’ inputs, reflecting alternate options when divergent views exist.

On biennial reports, MALI noted the reports should address mitigation and means of implementation, and SAUDI ARABIA emphasized reporting on the effects of mitigation activities. LEBANON highlighted that biennial reports should contain specific information on the level of ambition in relation to the global goal. The EU suggested that the objectives of guidelines, structures, the modalities for communications and the detail required in biennial reports could be captured in an Annex to a decision.

AUSTRALIA said biennial reports should “dovetail” with existing national GHG inventory processes and should be submitted starting in 2013. SOUTH AFRICA recommended including information on quantified economy-wide emission reductions in the biennial reports.

SINGAPORE noted that an update on progress on achieving emission reductions should be provided and that biennial reports should also function as an early warning system.

The MARSHALL ISLANDS underscored that the guidelines should be flexible and robust. He also observed that support should be provided to developing countries to enhance their ability to produce their own biennial reports. INDIA stressed that biennial reports are the basis on which IAR will be conducted and that Annex I parties should indicate targets for emission reductions.

The Facilitator will prepare a non-paper synthesizing views expressed by parties.

**IN-DEPTH DISCUSSION ON DELIVERY OF CAPACITY-BUILDING SUPPORT THROUGH INSTITUTIONS AND INITIATIVES UNDER THE CONVENTION:** AWG-LCA Chair Daniel Reifsnyder (US) underscored the importance of capacity building under the Convention, in particular in relation to ongoing efforts, such as the development of NAMAs. Facilitator Jukka Uosukainen (Finland) introduced the in-depth discussion as an opportunity for thorough and focused discussion.

The UNFCCC Secretariat introduced an informal note on “capacity-building work in institutions and initiatives under the Convention,” which provides an inventory of references to capacity-building in mandates, functions and activities of institutions and initiatives under the Convention.

**Where, and how, is capacity-building integrated in adaptation and technology:** Facilitator Uosukainen presented on three key areas of adaptation under capacity-building, including implementation, support and institutions for adaptation. On technology, he reiterated the need to decide on procedures for the establishment of the Climate Technology Centre and Network (CTCN) in Durban. Parties discussed the inclusion of technology assessments in the CTCN and the categorization of capacity-building priorities.

**Where, and how, is capacity-building integrated in the mandates and work programmes of the LDC Expert Group (LEG) and the Consultative Group of Experts on Non-Annex I Parties’ National Communications (CGE):** Batu Uprety, Vice-Chair of the LEG, elaborated on their work in providing, *inter alia*: technical advice and guidance on the preparation, implementation, revision and update of national adaptation programmes of action (NAPAs); the identification of medium and long-term adaptation needs; and the implementation of adaptation actions.

Sangchan Limjirakan, Chair of the CGE, explained that the core mandate of the CGE is to provide technical advice and support in improving the process and preparation of non-Annex I national communications.

**GEF engagement on capacity-building:** Rawleston Moore, Global Environment Facility (GEF), referred to capacity-building as capacity-development, and underscored the value of integrating capacity development into projects and programme design to ensure its success. Parties discussed lessons learned from stand-alone capacity-development projects and ways to resolve challenges.

**Where, and how, is capacity-building integrated in finance and mitigation:** Suzanty Sitorus, facilitator of the AWG-LCA informal group on finance, presented on recent party submissions outlining ways the Standing Committee on the Financial Mechanism of the Convention could contribute to enhancing capacity-building.

On mitigation, facilitator Uosukainen summarized recent party submissions that affirm the need to provide financial and technical support for the preparation of biennial update reports, and for NAMAs to be developed in a context of sustainable development.

Facilitator Uosukainen encouraged parties to make submissions on capacity-building by Tuesday to facilitate production of a draft negotiating text.

**ADAPTATION:** The informal group met in the afternoon. AWG-LCA Vice-Chair Mukahanana-Sangarwe suggested that discussions center on three areas: the operational modalities for performing the functions of the Adaptation Committee; the composition of the Committee; and linkages with new and existing institutions under the Convention. Parties then deliberated on how to proceed. The PHILIPPINES suggested that parties use their proposed draft text, which builds on the facilitator’s note from the Bonn session, as a basis for discussion. BOLIVIA, URUGUAY and SAUDI ARABIA, opposed by the US, supported this.

The EU highlighted the urgency of finalizing draft decision text in Durban so as to operationalize the Adaptation Committee. Mukahanana-Sangarwe proposed, and parties agreed, to incorporate missing elements into the facilitator’s note and then to use this as a basis for discussions.

**DEVELOPING COUNTRY NAMAS:** In the afternoon informal group, parties discussed the organization of work and expectations for the week. Parties considered whether to begin discussions with ICA and biennial update reports or the NAMA registry. CHINA and SAUDI ARABIA called for focusing on the NAMA registry. BRAZIL proposed the consideration of diversification of NAMAs. The EU suggested that discussions focus on the legal form and the overall level of ambition. AUSTRALIA highlighted the gap on what the Cancun pledges will deliver and what is needed to meet the goal of keeping the temperature increase to 2°C or less. SWITZERLAND suggested spin-off groups to “deepen certain details.”

Many parties supported inviting the co-facilitators to prepare a non-paper on ICA and biennial update reports reflecting parties inputs from Panama, the Bonn session and submissions from parties.

On ICA, parties addressed the principles, objectives and possible steps for the process. BRAZIL, supported by the MARSHALL ISLANDS and other developing countries, emphasized that IAR and ICA respond to different objectives. CHINA underscored that while IAR is meant to assess and review the commitments made by Annex I parties and their comparability of efforts, ICA is intended to increase transparency of voluntary mitigation actions, especially those that are internationally supported.

Many developing countries underscored that the ICA frequency was not established under the Cancun Agreements and should be flexible depending on national circumstances. The US said ICA should go hand-in-hand with biennial reports and should provide input for the Review. Supported by other developed countries, he said the ICA process should consist of an analysis by experts including impacts of mitigation actions, methodologies and assumptions, and a consultation to share views among parties in the SBI. MALI highlighted that “international consultation and analysis” implies a sequence of how the process should be carried out. CHINA said ICA should be a technical process led by a group of technical experts.

On biennial update reports, parties addressed the scope and content, possible elements, level of detail to be reported and the submission cycle. On content, BRAZIL highlighted that the Cancun Agreements provide clear guidance on the core elements to be addressed, namely updates of national GHG inventories, including a national inventory report and information on mitigation actions, needs, and support received. He added that the timing should be connected to the support provided. Many developing countries highlighted the need to enhance mechanisms of support.

AUSTRALIA called for progress on biennial update reporting guidelines to create a framework to enable developing countries to get started on the process and suggested, with the EU, January 2014 as a date for the submission of the first biennial update report. Many developed countries supported using the biennial update report as an input for the 2015 Review. CHINA said the guidelines for the biennial update report should be a sub-set of the current national communication guidelines and, with many developing countries, emphasized that biennial update report content should be part of national communications and avoid

duplication. BRAZIL, supported by INDIA, stressed the need to take into account the respective capacities and capabilities of countries. A non-paper will be prepared by the facilitators to serve as a basis for further discussion.

**SHARED VISION:** In the afternoon meeting of the informal group, AWG-LCA Vice-Chair Mukahanana-Sangarwe requested parties for proposals and suggestions on the way forward in developing draft-negotiating text for Durban. Divergent views emerged over how to proceed. The Philippines, for the G-77/CHINA, said they expected all submissions by parties to be included in the negotiating text, and some countries, including SAUDI ARABIA, CHINA, BRAZIL, BOLIVIA and INDIA, reiterated that the shared vision should be in the context of the BAP. Other countries, including AUSTRALIA, SWITZERLAND, NORWAY, the US and JAPAN, said the shared vision should be based on the two issues mandated from Cancun, i.e., the long-term global goal and the peak year.

The EU stressed that some issues should be dealt with in other groups or fora. MEXICO said narrowing the scope to these two issues will inevitably “touch upon other issues.” The Gambia, for the AFRICAN GROUP, with others, said the facilitator’s note from the Bonn meeting could be considered as a basis for further discussion, but should be further developed based on views and submissions. JAPAN expressed concern with using the facilitator’s note as a basis for negotiation, noting the scope was too wide.

BOLIVIA said the text needed restructuring and supported an international court of climate justice to ensure compliance with the global goal. INDIA said the underlying basis of the goals must be agreed to before the specific goals themselves, and decisions should be based on equity. The PHILIPPINES stressed that the numbers must have a context, otherwise “we may as well hang up a dartboard and throw darts” at numbers. AUSTRALIA underscored that the science is clear. Parties agreed that a new text would be developed by the facilitator for consideration at the next meeting of the group, based on submissions by parties, which would include those issues not already in the facilitator’s note.

**FINANCE:** In the afternoon informal group, PAKISTAN presented a proposal for a Standing Committee on the Financial Mechanism under the Convention. He observed that the proposal strengthened elements on: oversight of operational entities; MRV of support received; and linkages to the thematic bodies to be operationalized in Durban.

Parties then discussed the organization of work with a view to making progress on advancing decision text. Debate centered on what to begin discussions with. Many developed countries proposed that the group begin by addressing the Standing Committee, focusing on its roles and functions. A number of developing countries preferred beginning discussions with elements of a draft decision on long-term finance, noting that the issue had not been addressed in much detail during the Bonn session. Parties eventually agreed to begin discussions on Monday with long-term finance followed by the standing committee later on in the day.

#### **AWG-KP SPIN-OFF GROUPS**

**LULUCF:** In the morning spin-off group, parties discussed how to move forward and agreed to address natural disturbances, a cap on forest management and harvested wood products (HWP) during the week. Parties exchanged views on *force*

*majeure* and natural disturbances, including the commonalities and differences of both concepts. Parties then discussed the proposal on “flexible land-use.”

The Secretariat provided an update on the review process of the forest management reference levels and described the ongoing process to elaborate a synthesis report. Some parties highlighted the importance of discussions on the outcome of the review of the forest management reference levels.

**ANNEX I EMISSION REDUCTIONS:** In the afternoon spin-off group on “numbers” parties agreed to focus discussions throughout the week on: the conversion of emission reduction pledges into QELROs, including the impact of LULUCF rules; streamlining options on the carryover of surplus AAUs; and working through the chapter text. Parties were not able to agree on establishing an informal group to identify further items to be elevated to the contact group on Annex I parties’ further commitments and the possibility of discussing Option B (consequential amendments).

A number of developed country parties supported discussing Option B, noting that many of the proposals are designed to improve the efficiency and environmental integrity of the Kyoto Protocol. Many developing country parties expressed concern that Option B is not within the mandate of the AWG-KP, and that these issues should be addressed under the AWG-LCA. Informal consultations will continue on how or whether to address Option B.

**FLEXIBILITY MECHANISMS:** In the afternoon spin-off group co-facilitator El Hadji Mbaye Diagne (Senegal) invited parties to identify elements of the text where progress towards a Durban outcome could be made.

Views were divided on convening informal consultations to allow parties to clarify their proposals in the paragraphs on general issues. The facilitator noted that discussions in the spin-off group will continue on general issues, but that the co-facilitators would also conduct consultations on the general issues paragraphs.

Noting continued disagreement on nuclear activities under the CDM and Joint Implementation (JI), the facilitator said informal consultations will continue. Parties agreed to delete the text on discount factors. Views diverged on whether to delete or retain text on supplementarity and new market mechanisms.

#### **IN THE CORRIDORS**

Day two of the Panama meeting ended with many delegates and facilitators awaiting new draft texts from the informal groups under the AWG-LCA track. “A draft text feels like mission impossible sometimes,” lamented one delegate after sitting through procedural discussions in the finance informals.

Several delegates leaving the AWG-KP spin-off groups on the flexibility mechanisms and numbers threw up their hands in exasperation. A number of them were frustrated by what one senior negotiator characterized as a “rehashing of well-worn debates.” On consequential amendments, one said “there are deep divisions on whether they are even within the mandate of the AWG-KP.”

Meanwhile, the South African delegation provided a “very comprehensive” update on logistics for the Durban conference, leaving many delegates feeling confident about the logistical arrangements - entailing shuttles, bicycles and “people movers.”



# Climate Change Policy & Practice

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## AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: MONDAY, 3 OCTOBER 2011

The UN Climate Change Conference continued on Monday morning with a meeting of the AWG-LCA contact group to provide progress reports. The AWG-KP spin-off group on Annex I emission reductions also took place. Several AWG-LCA informal groups convened in the morning and afternoon on: finance; various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation; and sectoral approaches and sector-specific actions.

In the afternoon, AWG-LCA informal groups met to discuss response measures, REDD+, developed country mitigation and developing country NAMAs. AWG-KP spin-off groups on LULUCF and the flexibility mechanisms also convened.

A special information event on fast-start finance organized, by the UNFCCC, took place in the afternoon.

### AWG-LCA CONTACT GROUP AND INFORMAL GROUPS

**AWG-LCA:** During the morning contact group, facilitators presented on progress in their informal groups. Parties also exchanged views on future work.

AWG-LCA Chair Reifsnyder reported on the outcome of informal consultations on ways to address the issue of the level of ambition and developing country mitigation actions (paragraphs 36-38 and 48-51 of Decision 1/CP.16), saying it will be addressed under the informal groups on developed country mitigation and developing country NAMAs, respectively.

On the Review, AWG-LCA Vice-Chair Mukahanana-Sangarwe said parties agreed to discuss modalities and then consider whether to address scope.

On developed country mitigation, co-facilitator Fernández Garibaldi reported that parties agreed to consider biennial reports and IAR, and requested two synthesis reports on the issues, which would incorporate inputs from parties. He added that some parties had emphasized the need to keep the discussions of developed country mitigation and developing country NAMAs separate.

On developing country NAMAs, co-facilitator Herzberg noted that parties supported the preparation of a non-paper on biennial update reports and ICA and that many parties highlighted the need for comprehensive and balanced discussions on biennial update reports, the NAMA registry and ICA. She added that some parties considered that level of ambition is not relevant under this agenda item.

SAUDI ARABIA underscored that the discussions on developing country NAMAs also addressed financial support, capacity building and technology transfer as intrinsically related to ICA and the biennial update reports.

The EU, supported by AUSTRALIA and SWITZERLAND, emphasized the need to find a space to discuss the level of ambition, clarification of pledges and accounting.

On finance, facilitator Børsting reported divergent views among parties on the consideration of issues to be discussed, particularly concerning the Standing Committee on the Financial Mechanism under the Convention, and long-term and fast-start finance.

On technology, facilitator Uosukainen reported that parties agreed to compile submissions into one text. He highlighted further work on outstanding issues such as: governance arrangements for the CTCN and its relationship with the TEC.

On adaptation, Mukahanana-Sangarwe reported that parties focused discussions on the Adaptation Committee's functions, linkages to new and existing institutions, and composition.

On capacity building, Uosukainen reported on party discussions regarding gaps in the delivery of capacity building in projects and programmes, either as a stand-alone activity or as an integrated component.

On other matters, facilitator Shimada reported that parties had exchanged views on draft text submitted by parties and he encouraged people to continue discussing informally.

A number of facilitators reported that discussions in their informal groups, including shared vision, the Review and adaptation, would be based on revised versions of the facilitators' notes from Bonn, integrating party inputs.

### MARKET AND NON-MARKET APPROACHES:

In the morning informal group on various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, proposals were presented by: Jamaica, for AOSIS; Bolivia; Ecuador; the EU; and Switzerland. Parties then exchanged views on the way forward.

COLOMBIA, with the EU and CHILE, opposed by VENEZUELA and BOLIVIA, proposed dividing time equally between the consideration of non-market mechanisms and new market-based mechanisms. VENEZUELA emphasized that the group did not have a mandate to discuss new market-based mechanisms. The EU and others noted that new market mechanisms were one of the "approaches" and therefore could not be precluded from the discussion. After clarifying the group's mandate in the afternoon, parties agreed to establish an open-ended drafting group to start discussing draft text headings, with the intention of later "flagging" relevant text under these headings.

### SECTORAL APPROACHES AND SECTOR SPECIFIC ACTIONS:

In the morning session, parties considered how to discuss the general framework, agriculture and emissions from international aviation and maritime transport. A submission, on behalf of a number of developing countries, was introduced

by India on the general framework, referring to, *inter alia*: the importance of food security; the need to avoid barriers and distortions in international trade; and the importance of economic and social development in the context of sectoral approaches.

AUSTRALIA, supported by the US and the EU, suggested including the proposal as an option in the facilitator's note. ARGENTINA, with BRAZIL, SOUTH AFRICA, URUGUAY and BOLIVIA, stressed the need to address the proposal separately from the options contained in the facilitator's note. Parties reconvened in the afternoon to discuss options for a consolidated text and whether to include text for a general framework.

**FINANCE:** In the afternoon informal group, parties were presented with a proposal for draft negotiating text on the Standing Committee on the Financial Mechanism under the COP, from a group of countries. Parties also addressed the structure of a draft decision on the Standing Committee. Parties agreed that textual submissions from parties on the Standing Committee would be consolidated into a document to form the basis for further discussion, with the *proviso* that all party submissions remain on the table.

On long-term finance, parties were presented with a new submission from a group of countries. No agreement was reached on consolidating draft text on long-term finance into a facilitators' note for further discussion, which many developing countries supported. Several developed countries maintained that consolidated text on the issue was "premature," with another suggesting that the AWG-LCA did not receive a mandate from the Cancun Agreements to discuss long-term finance. Informal consultations on this issue will be held.

**RESPONSE MEASURES:** In the afternoon, facilitator Crispin d'Auvergne (Saint Lucia) opened the informal group discussions with an update on workshops on matters relating to Protocol Articles 2.3 (adverse effects of policies and measures) and 3.14 (adverse impacts of response measures) and on promoting risk management approaches on the specific needs and concerns of developing country parties arising from the impact of the implementation of response measures (Decision 1/CP.10), and the SBI/SBSTA forum on the impact of the implementation of response measures.

Parties then discussed the scope for discussions. INDIA, SAUDI ARABIA, ARGENTINA and CHINA supported using a submission made by India as a basis for discussion. The US, supported by CANADA, AUSTRALIA, and the EU, stressed the need for clarity on the basis for work before entering into discussions.

**DEVELOPED COUNTRY MITIGATION:** In the afternoon informal group, parties discussed level of ambition (paragraphs 36-38 in Decision 1/CP.16), examining options to increase commitments and advance work in the lead-up to Durban.

Several developed country parties supported producing a technical paper containing inputs from party submissions on, *inter alia*, their intended: 2020 target; emissions trajectory; base-year; accounting rules; gases and sectors covered; and use of market mechanisms. Developed countries variously identified means to increase the level of ambition by: increasing mutual trust; enhancing clarity on developed country commitments and developing country actions; "deep and liquid" carbon markets; effective support of developing country NAMAs; addressing emissions from international aviation and maritime transport; and hydrofluorocarbons (HFCs).

A number of developing countries underscored the gap between developed country pledges on the table and what is required by science. Developing countries underscored options to increase ambition, including: common accounting rules to ensure comparability; demonstrating the economic feasibility of mitigation; policy changes, such as the elimination of fossil fuel subsidies; and unilateral actions demonstrating leadership on climate change mitigation.

**DEVELOPING COUNTRY NAMAS:** In the afternoon informal group, parties discussed developing country mitigation actions (paragraphs 48-51 of Decision 1/CP.16).

A number of developed countries called for a better understanding of the diversity of developing country pledges and clarity on the assumptions underlying them, including on: defining business-as-usual (BAU); economic growth projection; level of access to international finance; accounting rules; types of NAMAs; and use of market mechanisms.

A developing country emphasized the Cancun Agreements provide that NAMAs should be supported and enabled by technology transfer, financing and capacity building. One developing country suggested starting a pilot phase for the NAMA registry. Parties will continue discussions.

#### AWG-KP SPIN-OFF GROUPS

**ANNEX I EMISSION REDUCTIONS:** In the morning, parties discussed the transformation of pledges into QELROs and a process for achieving this by Durban. The Secretariat presented on options affecting the transformation of pledges into QELROs, including the starting point of the emissions trajectory, base-year, and length of commitment period, noting the impacts of the carry-over of surplus AAUs and LULUCF accounting rules options on the level of ambition.

Several developed countries underscored the need for progress on LULUCF rules and ensuring increased access to markets, as increased ambition are linked to these. Some developed countries expressed doubt on whether progress before Durban would be sufficient to calculate a single QELRO and said they might be presented as a range in decision text instead, noting however that this might pose technical difficulties. Several parties said that, if forced to list a specific number, it would be at the bottom end of their ranges, with another reiterating that they preferred to leave the high end of their range on the table.

On length of the commitment period, one developed country said entry into force in 2013 is problematic due to challenges posed by ratification, another said their domestic legislation is designed to ensure that no gap in implementation will occur between commitment periods. Discussions will continue.

#### IN THE CORRIDORS

Reflecting on the plethora of AWG-LCA informal groups, which convened on Monday, some negotiators pointed to a general trend emerging during discussions on how and when to shape party submissions into draft texts. "It's like asking if the chicken or egg comes first," noted one bemused negotiator, "however in Panama we are asking if the draft text or discussion comes first."

With expectations running high, many observer organizations struggled to be accommodated in the first informal group meeting on REDD+. However, enthusiasm appeared to have waned after discussions, with some observers saying that parties were "simply reiterating stances expressed in Bonn on financing options for REDD+." Nevertheless, an expectation of draft decision text to be proposed by parties on REDD+ phase three (full implementation) was able to generate a modest level of anticipation in some quarters.

On the Durban front, curious delegates lingered outside the heavily-guarded room where the incoming COP President, Maite Nkoana-Mashabane, South African Minister of Foreign Affairs and International Cooperation, held consultations throughout the day with delegations on country expectations for COP 17.

Meanwhile, Denmark was lauded during the AWG-LCA developed country mitigation informal group and received the "ray of the day" award from the Climate Action Network for its unilateral decision to reduce its emissions by 40% by 2020. "It's great news," said one observer, "this is exactly the kind of leadership we need in the run-up to Durban."

## AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: TUESDAY, 4 OCTOBER 2011

The UN Climate Change Conference continued on Tuesday. In the morning, the AWG-KP contact group on Annex I parties' further commitments convened. Informal and spin-off groups convened throughout the day under the AWG-LCA and AWG-KP.

Under the AWG-LCA, informal groups took place on developed country mitigation, developing country NAMAs, the Review, REDD+, legal options, capacity-building, finance, adaptation, shared vision, and technology transfer. Under the AWG-KP spin-off groups convened on Annex I emission reductions, LULUCF, other issues and potential consequences.

South Africa, the incoming COP presidency of COP 17 and COP/MOP 7, conducted an open-ended informal consultation for stakeholders in the afternoon.

### AWG-LCA INFORMAL GROUPS

**DEVELOPED COUNTRY MITIGATION:** In the morning informal session, parties considered a facilitator's non-paper on the possible elements of modalities and procedures for IAR. Under objectives, several developing countries objected to reference to a "non intrusive" IAR process, calling for language consistent with the Cancun agreements. Several developing country parties objected to the "merging" of IAR and ICA provisions. Divergent views were expressed among developing and developed countries on compliance, with the former saying that comparability and compliance are key objectives of the IAR process. Some developed countries disagreed, saying a compliance process had not been agreed to. One said that transparency is the overall objective of IAR.

Developing countries also maintained that reference to promoting consistency in accounting and comparability of efforts among developed countries should be through the application of common agreed rules and that this should be reflected. However, a group of developed countries said IAR needs to be complemented by an accounting system including carbon budget

periods, LULUCF and mechanisms. Another developed country said it was not appropriate to introduce common accounting rules, since they have not been developed.

Developing countries objected to frequency of the IAR process being attached to the party's share of GHG emissions, noting that the overall principle of IAR should be linked to historical responsibility.

On technical review, developing countries said that in addition to identifying gaps in implementation, the text should also include proposed solutions. Several developed countries said this would be intrusive if recommendations proposed changes to domestic law and policy. Debate also centered on sequencing, with developing countries preferring technical assessment to be conducted before review.

On outputs, developing countries said that in addition to compliance assessment, measures to address non-compliance and consequences of non-compliance should also be included. On recommendations to parties, several developed country parties expressed concern that recommendations could be politicized, adding that it is not appropriate for a team of technical experts to define specific policy actions to be taken by governments. One developing country said it did not want to see a technical report as an output.

On the facilitators' non-paper on biennial reports, many developing countries highlighted, *inter alia*, that: criteria for categorizing funding either for mitigation or adaptation should be set by the UNFCCC, rather than based on the Organization for Economic Co-operation and Development's (OECD) Development Assistance Committee criteria; information in the biennial reports should be based on common accounting rules and performance indicators to improve transparency and comparability; and that there should be no "parallelism" with biennial update reports. Several developed countries supported diverse accounting methodologies to reflect the wide range of methods available to reduce emissions. A number of developed countries said the reports should be short and concise. One developed country called for negotiating a common accounting framework *ex-ante*.

**REVIEW:** The informal group met in the morning to further discuss definition of the scope of the review and development of modalities. A revised facilitator's note containing submissions by countries was presented. Parties expressed divergent views on the way forward. Some developed countries reiterated the need for a draft decision text to be derived from the facilitator's note, and to be negotiated in Durban. A developing country suggested that all views should be captured in the text. A developing country cautioned against overlapping with issues addressed in other informal groups, suggesting that the group concentrate on what is feasible and practical in the review.

Parties' views differed on the definition of the scope, with some noting that it was adequately laid out in the Cancun Agreements, while others expressed the need for a further definition. Divergent views were expressed on the next steps; some parties emphasized that it was "premature" to start discussing draft decision text, whereas others reiterated the need for a draft decision text to be finalized before Durban. Parties agreed that the facilitator's note should be revised to fully capture parties' submissions.

**REDD+:** In the informal group, parties addressed expectations for Durban. A proposal on financing for phase 3 (full implementation) from a group of countries was presented. Parties continued discussions on financing for REDD+. On sources of financing, many parties highlighted that REDD+ should be supported through different financing options and that this decision should be made by each country.

Some parties highlighted the important role of private investment and market mechanisms and others emphasized that ecosystem services, including biodiversity co-benefits, should be considered. One party cautioned against market mechanisms and the "commoditization" of nature.

Many parties underscored the need to include a REDD+ specific window under the Green Climate Fund. Cautioning against duplication, some parties said this was being addressed by the Transitional Committee for the design of the Green Climate Fund.

Some parties noted that a possible outcome for Durban will be contingent on the outcome of ongoing relevant discussions under the SBSTA and the Transitional Committee, while others emphasized that discussions in the group should be independent from discussions in other fora. Discussions will continue.

**LEGAL OPTIONS:** In the morning informal group, parties exchanged general views on expectations for Durban. While some supported further discussions on legal options to address an AWG-LCA outcome, others said discussion on legal options and a new legally-binding agreement is premature. Some emphasized that agreement on substance must come before considering the legal form.

Some parties observed that the group's mandate should be to present a range of legal technical options, while others suggested focusing on identifying elements of a possible legally-binding agreement, including the establishment of a roadmap for "transition." A group of parties proposed that a mandate should

be agreed to in Durban, on establishing a process for developing a legally-binding agreement, including mitigation commitments and actions by all parties.

Other parties expressed willingness to consider a second commitment period under the Kyoto Protocol, provided that a comprehensive legally-binding framework adaptable to evolving circumstances is also considered. Supporting a single comprehensive legally-binding instrument including all major emitters, one party observed that COP decisions could be a useful outcome for moving forward beyond 2012.

Many developing countries underscored a rule-based legally-binding multilateral regime as a priority. One party cautioned against agreeing on a single instrument that would not promote a top-down approach, underscoring adaptation, capacity-building and finance as key areas for an outcome.

Many developing parties highlighted that the outcome in Durban should be based on the BAP and the Convention. One developed country supported the adoption of a legally-binding agreement with mitigation commitments from all major economies, but noted that the outcome in Durban and "aspirations" must be realistic. He also said parties have different interpretations of the BAP and that the Durban outcome should be based on the Cancun Agreements. Discussions will continue.

**DEVELOPING COUNTRY NAMAS:** In the afternoon informal group, delegates addressed the role and design of the NAMAs registry. Many parties expressed a common view that the registry should be web based and facilitate the matching of NAMAs seeking support.

On the facilitative matching of support, some parties suggested different options, including, *inter alia*: an online searching and matching system; the establishment of a panel or body to overview the matching process and/or serve the facilitation for available support; and integrating the registry into the Green Climate Fund.

A group of parties said the registry should not become a prior requirement or bottleneck to access funding, including from the Green Climate Fund. Many parties stressed the need for the registry to promote and enhance capacity building, respect the diversity of NAMAs, and for a design that is not "burdensome." Many parties suggested information that should be included in the registry, including support required. Some suggested the preparation of guidelines or templates for the submission of information, but others expressed reservations, emphasizing that flexibility should be prioritized.

On the way forward, some developing countries said that discussions should be sequenced in order to reach a decision in Durban. One developed country suggested a workshop for countries and stakeholders on the support side, such as NGOs and the private sector, as a means for sharing information on what is needed to match support. A non-paper will be prepared by the co-facilitators.

Parties then addressed a non-paper presented by the co-facilitators on possible elements on modalities and procedures for ICA. Some parties welcomed the draft text, with many pointing to missing elements. Some parties recalled that, according to the Cancun Agreements, ICA should be based

on the biennial update reports. A number of parties pointed to further streamlining objectives and principles with the Cancun Agreements. Many parties highlighted that sequencing should be clearly laid out and comprise of consultation and then analysis. A number of developing countries highlighted the need for engagement with experts to be interactive, while some expressed concern about the “intrusion” of in-country visits by experts. Some countries did not agree to defining the frequency based on a party’s share of global GHG emissions and their capabilities. Some countries said ICA should be a technical process rather than a political one. An updated version of the non-paper will be prepared.

**ADAPTATION:** The informal group met in the afternoon to discuss the way forward. Parties were invited to comment on a compilation of inputs from parties. One developed country party noted that some of the submissions had altered the structure of the Bonn facilitator’s note. Parties held divergent views over whether to restructure the text. Some parties reiterated the need for a draft negotiating text to be agreed to at this meeting so as to ensure that adaptation is given emphasis in Durban. Parties agreed that the facilitator should consolidate submissions into a non-paper to form the basis for discussions.

#### **AWG-KP CONTACT GROUP AND SPIN-OFF GROUPS**

**ANNEX I PARTIES’ FURTHER COMMITMENTS:** In the morning contact group facilitators reported on discussions in their spin-off groups and parties discussed political issues related to producing QELROs in time for a Durban decision.

On Annex I emission reductions, facilitator Charles reported that differences exist on whether to address Option B (consequential amendments). He further noted “some recognition” by parties of the political nature of the decision on which QELROs will be on the table in Durban.

On LULUCF, facilitator Iversen highlighted discussions on natural disturbances and a cap for forest management.

On Flexibility Mechanisms, facilitator Barata noted progress on streamlining the text, but underscored divergent views on how to continue. During discussions, a number of developed countries emphasized the desire to preserve a rules-based system, but noted the need for the second commitment period to be seen in the context of a global framework including action by all major emitters. VENEZUELA called for preserving the rules-based system under the Kyoto Protocol and building on those rules through the Bali Action Plan and the AWG-LCA track.

The EU questioned the value of a common accounting framework if nobody would commit to it and called for a realistic conversation about the second commitment period, given that three parties have stated their intention not to inscribe their pledges as QELROs in Annex B. CHINA opposed linking discussions under the AWG-KP with actions by major emitters.

The Climate Action Network, for ENGOs, outlined a five-step plan to increase ambition, including closing LULUCF and AAU loopholes and moving to the top end of party pledge ranges prior to Durban. IETA, for BINGOs, called for sending a “strong signal” on the continuation of the CDM.

**OTHER ISSUES:** The spin-off group on Chapter IV (methodological issues) met in the morning. Parties reviewed options for language on greenhouse gases, common metrics, application of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and cross-cutting issues. Parties reviewed the two options contained in the revised proposal by the Chair, with many noting that agreement on one option is contingent on whether to include nitrogen trifluoride in the coverage of the quantified emission limitation and reduction commitments for the second commitment period. On the proposed method of work, parties discussed the relationship between issues under Chapter IV and Chapter I (Amendments to the Kyoto Protocol) and a need to proceed with discussions in an integrated manner.

**POTENTIAL CONSEQUENCES:** In the morning spin-off group, parties discussed the outstanding issue on whether to establish a permanent forum as a means for parties to report and evaluate impacts and consequences of policies and measures or to use existing channels, including national communications. Some parties expressed an interest in finding convergence between the two options, while other parties stated that the options are binary. Parties decided not to engage in any drafting of text and closed the session, with meeting notes sent to Durban “as-is.”

#### **IN THE CORRIDORS**

A number of delegates meeting in the informal groups expressed their sense of *déjà vu* with the “consolidating and reconsolidating text” process aimed at arriving at a draft negotiating text in his group: “It seems counterproductive,” one said. “The texts are ballooning, instead of shrinking, it’s never ending.” Agreeing with the sentiments, another added “I shut my eyes and I feel like I’m back in Barcelona in 2009 and in Tianjin this time last year.”

In the shared vision informal group, a new facilitator’s note was distributed, which delegates reviewed and provided comments on. Delegates emerging from the meeting room expressed mixed feelings regarding the text. Some felt that it was a good effort by the facilitator in consolidating the various submissions, while others expressed more serious doubts and concerns. One seasoned negotiator said “this text goes beyond what was agreed to in Cancun.” Delegates hoped that the renewed effort by the facilitator to come up with a new text would gain wider approval.

In the afternoon, many stakeholders appeared to be excited about participating in the open-ended informal consultation with the COP 17 Presidency, building on the consultation efforts undertaken by the COP 16 Presidency. However, one NGO representative was less hopeful. “I worry that these consultations are now routine. We heard great ideas today, but I just hope that they will be taken forward.”



# Sustainable Development Policy & Practice

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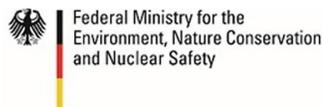
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**AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS:  
WEDNESDAY, 5 OCTOBER 2011**

The UN Climate Change Conference continued on Wednesday in Panama City. In the morning, the AWG-LCA contact group convened. The AWG-KP contact group on consideration of further commitments for Annex I Parties under the Kyoto Protocol met in the afternoon. Informal and spin-off groups convened throughout the day under the AWG-LCA and AWG-KP.

Under the AWG-LCA informal groups took place on developed country mitigation, developing country NAMAs, the Review, legal options, adaptation, various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, finance, sectoral approaches and sector-specific actions and technology transfer. Under the AWG-KP, spin-off groups convened on Annex I emission reductions and LULUCF.

The COP Presidency for COP 17 held open-ended informal consultations with parties in the afternoon.

**AWG-LCA INFORMAL GROUPS**

**AWG-LCA CONTACT GROUP:** During the morning contact group, facilitators presented on progress made in their respective informal groups. Parties also exchanged views on progress in Panama.

AWG-LCA Vice-Chair Margaret Mukahanana-Sangarwe, reporting on shared vision, noted concerns from parties that the current revised text does not fully reflect parties' views and that parties agreed to streamline text for further discussions.

José Alberto Fernández Garibaldi reported on developed country mitigation, noting that the group had produced two non-papers, and completed the first round of general comments. He said that parties agreed to revise both non-papers before the next meeting. Reporting on developing country mitigation Karine Hertzberg said non-papers on NAMAs registry and ICA will be produced for the next meeting.

Antonio Gabriel La Viña reported that discussions highlighted that REDD+ should "go beyond REDD+ and should deal with forests in general." La Viña also reported on sectoral approaches and sector-specific actions. He said parties were willing to develop a consolidated text to form the basis of discussion.

On various approaches, Alexa Kleysteuber reported that parties have started working on a draft text for Durban, and that it was structured under eight headings. Crispin d' Auvergne reported that the group on response measures addressed parties' submissions. On adaptation Mukahanana-Sangarwe, reported that parties requested a revised facilitators' note, including parties proposals. Co-facilitator Suzanty Sitorus, reporting on finance, said parties focused discussions on issues of long-term finance and the Standing Committee. CHINA expressed concern with the lack of constructive discussions in the finance group and EGYPT highlighted the need for text on long-term finance.

On technology transfer, Jukka Uosukainen highlighted that discussions addressed the CTCN host selection process. He said parties' submissions would be consolidated in a text. Uosukainen also reported on capacity building, where parties addressed contextualizing capacity building under the Convention. He said parties agreed to produce a consolidated text. Mukahanana-Sangarwe, reporting on the Review informal group, noted that parties were not ready to accept a text for a draft decision, but agreed to a revised facilitator's note to be discussed at their next meeting. María del Socorro Flores, reporting on legal options, said parties had identified a range of different views and that a non-paper was being prepared.

VENEZUELA, supported by BOLIVIA, called for a better allocation of time among the different agenda issues. She emphasized the need for a balanced outcome from Panama on all chapters of the Bali Action Plan. Australia, for the UMBRELLA GROUP, with the EU, said that progress on draft negotiating texts is promising. Barbabos, for AOSIS, urged parties to be more constructive in discussions aimed at producing draft negotiating texts.

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**REVIEW:** In the informal group meeting, parties discussed elements of the revised facilitator's note. Some parties felt that further discussion was necessary before committing to discussions on a draft negotiating text. Some parties proposed revisions to the facilitator's note. Parties were invited to meet informally and consolidate their inputs for discussion at the next meeting.

**FINANCE:** Discussions in the afternoon informal group centered on long-term finance. The proponents of two submissions on long-term finance responded to questions regarding their proposals. Afterwards, calling for a focus on textual proposals, many developing countries requested the co-facilitator to consolidate all the proposals from parties on the Standing Committee and long-term finance into a single draft text document for consideration. Some developed countries preferred to address long-term finance by further discussing issues, such as climate finance and public versus private finance. One developed country party noted that they were willing to engage in a "dialogue" on long-term finance, but questioned whether the co-facilitators were being given a mandate by the group to consolidate text. Informal discussions will be held on this issue.

**DEVELOPED COUNTRY MITIGATION:** In the afternoon informal group, parties discussed a revised non-paper presented by the co-facilitators on possible elements of draft guidelines for biennial reports. Many parties welcomed the text. Many developed countries made suggestions related to text on provision of information on LULUCF and projections. On a reference to an economy-wide emission reduction target, some developing parties supported removing reference to "including any conditions or assumptions relevant to the attainment of that target." A party suggested including reference to providing information on the adverse effects of response measures in developing countries. Some parties highlighted the open status of the text to ensure that additional comments by parties will be taken on-board in Durban. Clarification was requested on when the group would engage in a "more serious" drafting exercise.

Parties then considered a non-paper by the co-facilitators on possible elements of modalities and procedures for IAR. Parties provided comments on the text, including on additional options. Negotiations continued.

**SECTOR SPECIFIC AND SECTORAL APPROACHES:** Parties convened in the morning informal group to focus on agriculture, they considered language and worked to identify shared views on aspects of food security, trade, and economic development and poverty eradication. Facilitator Wamukoya distributed a guidance paper to facilitate the consolidation of text. Parties expressed views on elements to consider within the proposed agriculture programme of work. Parties agreed to work towards further streamlining text based on submissions, with input from the facilitator's guidance document and Bonn facilitator's note. In the afternoon, parties discussed international aviation and shipping and reflected on options for text. Some

developed countries welcomed progress made by the IMO at the 62<sup>nd</sup> session of the Marine Environment Protection Committee (MEPC). Parties will work to streamline text.

**DEVELOPING COUNTRY NAMAS:** In the morning informal group, parties addressed a non-paper on possible elements of modalities and procedures for ICA prepared by the facilitator. Many developing countries said the text goes beyond the relevant provisions of the Cancun Agreements for biennial update reports and also the guidelines for Non-Annex I parties national communications. Some also said the text does not reflect the flexibility provided in the national communications guidelines nor include a section on developing parties' national circumstances. They noted that the biennial update report is intended to contribute to enhancing transparency and needs to be seen in the context of information provided in national communications and streamlined with national communications guidelines, and not replace them. Some developed parties welcomed the text as a means to enhance transparency and the provision of information.

On principles and definitions, many developing countries said the reference to comparability among parties in the text should be removed, while a developed party suggested including a definition of comparability.

Many parties also noted that the requirements included in the text are just as onerous as those envisaged in the biennial reports for Annex I parties and do not adhere to the principle of common but differentiated responsibilities and countries' capabilities.

Some developed countries observed that the text could be a basis for further work and supported retaining the core elements included. Many parties said the text should be streamlined, with a developed country highlighting that biennial update reports should not imply new obligations for developing countries. Some developed countries supported continuing work on the issue in a spin-off group and others supported the preparation of a revised version of the text based on comments provided. Many developing countries supported preparing a new text, not a revision, reflecting discussions and the mandates of the Cancun Agreements. A revised "new enough" version of the text will be prepared.

Parties then addressed developing country mitigation actions (paragraphs 48-51 of Decision 1/CP.16). A non-paper based on parties' submissions and discussions will be prepared by the co-facilitators.

**ADAPTATION:** Parties were presented with a revised facilitator's note consisting of a compilation of party submissions, which they agreed to use as a basis for discussion. Parties then addressed elements of the note, mainly focusing on the composition of the Adaptation Committee. Parties agreed to convene informal informals to consolidate the existing note.

**RESPONSE MEASURES:** In the afternoon informal meeting, parties continued to discuss the scope of work and process. On scope, parties shared views on the forum on impacts of response measures and guidelines to move ahead on this issue. Divergent views were expressed by parties on the role of

trade and the possibility of initiating contact with the WTO on issues relating to trade and the environment. Some developing countries stressed the need to take into account the principles of the Convention; with some developed countries pointing to ambiguities, observing that the Convention principles are not directly operational. On process, countries could not agree on a document for discussions and will reconvene to review summary notes on views expressed.

#### **AWG-KP CONTACT GROUP AND SPIN-OFF GROUPS**

##### **ANNEX I PARTIES' FURTHER COMMITMENTS:**

In the afternoon, AWG-KP Chair Adrian Macey reported on progress on the consideration of further commitments for Annex I Parties under the Kyoto Protocol, noting the strong wish from all parties across all chapters to complete the work of the AWG-KP in Durban.

On other issues, AWG-KP Vice-Chair Diouf reported that parties are not yet comfortable eliminating options in the text and that more time is needed to agree on outstanding issues; while also indicating that progress in Durban is contingent on addressing political issues.

On potential consequences, facilitator Calvo reported that parties had met briefly to explore the option of "moving closer" on two pending options in the text regarding the establishment of a permanent forum or using existing channels. He stated that parties could not agree to "fine tune" text and have deferred the issue to COP/MOP 7.

On amendments/numbers, co-facilitator Lefevre (EU) reported on differences among parties on whether a proposal for amendments to the Kyoto Protocol contained in Option B (consequential amendments) can be considered. Parties agreed to consult further within their groups and "actively look at options" for the way forward.

On legal issues, AWG-KP Chair Macey reported a range of views that include a comprehensive legally-binding second commitment period, as well as a framework that is transitional and encompasses all parties.

On mechanisms, Chair Macey reflected on discussions regarding the CDM and the continuation of mechanisms under different scenarios, including a second commitment period or a second commitment period with lesser membership.

SAINT LUCIA, opposed by SAUDI ARABIA, stressed the need for developed countries to increase their level of ambition and to take on targets during a second commitment period.

**LULUCF:** The informal group met in the afternoon. Delegates addressed the Chair's revised text (FCCC/KP/AWG/2011/CRP.1) and streamlined text on, *inter alia*: reference levels; and rewetting and drainage. Some parties supported a proposal on a cap for forest management when using reference levels, which remained bracketed. A party proposed revising the definition of forests. Some parties noted that they will continue working on natural disturbances and expected to present a revised text.

#### **IN THE CORRIDORS**

On Wednesday, tense standoffs played out in several of the numerous AWG-LCA informal group meetings. Delegates singled out review, markets and non-market approaches and finance, in particular. "It doesn't look like we will ever have any text on long-term finance," remarked one, "we may as well pack our bags and leave now." Some developing countries claimed that developed countries were renegeing on their commitments, with one issuing a stark warning that "without finance, there would be no mitigation, adaptation- nothing for MRV." Meanwhile, developed countries reiterated their commitment to providing long-term finance, maintaining, however that the issue has been adequately addressed elsewhere and that there was no mandate to discuss it here.

On the technology front, the atmosphere seemed more congenial. One delegate emerging from the informal group acknowledged slow progress, but added that "compared to other groups, the technology group is doing well." He said the informal group discussed text on the roles and responsibilities of the CTCN and that governance would be discussed on Thursday, with discussions on the selection criteria for the host to be left for Durban.

In the afternoon, the informal group on legal options was once again filled to capacity, indicating intense interest on this issue. Parties addressed a non-paper, prepared by the facilitator, containing a "menu of legal options," which for many was a modest step forward, setting out the possible options for a Durban outcome. The text was based on a range of views expressed by parties that included the following options: a legally binding instrument (LBI); and COP decisions, including a sub-option on a mandate to conclude an LBI with a clear roadmap. Ensuing discussions were heated. Many developed countries acknowledged, "while a legally-binding agreement coming out of Durban would be ideal, it is unlikely to happen." One developing country expressed that "the political conditions were not right to agree to a mandate to conclude an LBI in Durban." Many developing countries expressed their disappointment with the turn that discussions were taking in some of the negotiating groups as a whole, with no clear signal of will to sign on to a second commitment period and some of the Bali pillars, such as adaptation and finance, lagging behind on the road to Durban. As India put it, "In some negotiating groups, we're really splitting hairs." The Gambia, for the LDCs, concluded, "the ball is in the court of Annex I parties that have made commitments in Bali and Copenhagen. If they start backtracking now, how are we ever going to have an agreement?"



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## AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: THURSDAY, 6 OCTOBER 2011

The UN Climate Change Conference continued on Thursday in Panama City. Informal and spin-off groups convened throughout the day under the AWG-LCA and AWG-KP.

Under the AWG-LCA, informal groups took place on developed country mitigation, developing country NAMAs, the Review, legal options, adaptation, finance, shared vision and technology. Under the AWG-KP, spin-off groups convened on Annex I emission reductions, mechanisms and LULUCF.

### AWG-LCA INFORMAL GROUPS

**DEVELOPING COUNTRY NAMAS:** In the morning and afternoon informal group meetings, parties discussed four non-papers presented by the co-facilitators on: the NAMA Registry; guidelines for biennial update reports; NAMAs; and ICA.

On the NAMA Registry, many parties welcomed the text and highlighted areas that needed strengthening, including enhancing clarity on support frameworks for NAMAs and the correct classification of information on funding sources. Some parties supported two sections, one for domestically supported NAMAs and another for internationally supported NAMAs. Many parties suggested inclusion of a user-friendly web-based searchable platform, others requested excluding a reference to the Financial Mechanism of the Convention.

On biennial update reports, many developing countries acknowledged that the new text had been improved, but pointed to the need for further harmonization with existing non-Annex I guidelines for national communications. Many developing countries suggested including reference to additional support and capacity building required for biennial update reports. A developed party supported incorporating an introductory paragraph stating that the biennial update reports are a component of national communications and should be submitted between national communications.

On NAMAs, many developing countries cautioned against categorizing and standardizing NAMAs, while some developed countries supported a common format or standardized template. Some developed countries reiterated the need for a common accounting framework, while several developing countries said discussions on common accounting rules are premature, noting that comparability should apply among Annex I parties and not between Annex I parties and non-Annex I parties. A developing country suggested that a template and a checklist be used for NAMAs.

On ICA, many provided comments and requested clarifications on, *inter alia*: the pool of experts, and the frequency and flexibility of ICA. Some developed countries supported including reference to ICA being conducted every two years. Some developing countries pointed out that the Cancun Agreements do not establish the frequency of ICA.

**SHARED VISION:** During the morning informal group meeting, delegates considered a revised text. Delegates discussed the status of the paper, with many reiterating that it was still a facilitator's text, including consolidated views of parties, and not a draft decision text that could be used as the basis for negotiation in Durban. Some delegates expressed concern that their submissions were not well reflected in the new text. A number of delegates noted that the text was getting longer and needed to be streamlined. One developing country stressed the importance of leaving Panama with a text that is ready for negotiation in Durban. She supported another meeting of the informal group, and a revised version of the text. Informal-informals took place in the afternoon.

**RESPONSE MEASURES:** Parties reviewed a note by the facilitator containing a summary of discussions and issues. The main questions summarized in the note include: whether discussions should continue under the AWG-LCA and the objective of such discussions; whether the draft text should be used as a basis for negotiation; and whether the group has a mandate to discuss trade. Parties spent the rest of the meeting discussing the note and how to proceed. Argentina, for the G77/CHINA, supported by INDIA and Sierra Leone, for the AFRICAN GROUP, expressed reservations with the facilitator's note. Many developing countries stated that their views had not been reflected in the note. CANADA and AUSTRALIA welcomed the summary note as a starting effort to capture progress. On the way forward, INDIA suggested that all submissions be included in an options paper.

**REVIEW:** In the afternoon, parties discussed a non-paper on the Review, which included: further definition of scope, modalities, and appropriate action by the COP. ANTIGUA AND BARBUDA, supported by MEXICO, NORWAY, and GRENADA, expressed support for the non-paper as a good basis for discussion; INDIA and SAUDI ARABIA noted that outstanding work remains before the paper can be used a basis for negotiation. JAPAN, supported by SWITZERLAND, pointed to duplication in the text on inputs. Parties agreed that Facilitator Mukahanana-Sangarwe would capture suggestions in an updated version of the non-paper for Friday, which will be carried over to Durban as a non-paper.

**FINANCE:** Discussions on the afternoon informal group centered on long-term finance. A group of developed countries introduced their submission on long-term finance, reflecting key issues for discussion. Parties then provided comments on the text and several developing country parties requested that the submission be consolidated with previous submissions on long-term finance. Several developed countries noted their intention to submit proposals. A consolidated text on long-term finance will be prepared. Parties then considered the consolidated draft text on the Standing Committee.

**REDD+:** Parties met in the informal group in the morning. They addressed REDD+ financing, including possible sources. Many pointed to the need to ensure consideration of biodiversity and social co-benefits. Some emphasized that the sources of finance for REDD+ should be primarily public, while others highlighted that they should be private and based on market mechanisms. One party said sources should be channeled through existing financial mechanisms. On the way forward, a group of parties suggested inviting submissions from parties in order to prepare a compilation paper as a basis for discussions in Durban. A non-paper on REDD+ finance will be prepared by the facilitator and discussions will continue.

**DEVELOPED COUNTRY MITIGATION:** The informal group met in the morning and afternoon. Delegates discussed a co-facilitators' summary of the discussions on matters relating to the level of ambition (paragraphs 36-38 of decision 1/CP.16). Many parties welcomed the text, with some pointing to missing elements. Some developed countries requested a "common space" to discuss the level of ambition, which many developing countries opposed, underscoring the different nature and content of the provisions on the level of ambition for developed countries and the provisions on NAMAs for developing countries (paragraphs 48-51 of decision 1/CP.16). Many developing countries underscored that HFCs and international aviation and maritime emissions are being addressed under other fora and should not be included in discussions on level of ambition.

Some developed countries supported including parties' views in a template to clarify the information on pledges and opposed holding additional workshops.

The group met again in the afternoon to discuss the way forward. Drawing attention to difficulties on making progress on long-term finance issues, a group of developing countries said they expected all areas of negotiations to make progress by moving text forward to Durban in a balanced manner.

**LEGAL OPTIONS:** Delegates discussed a revised menu of legal options. Regarding a COP decision on a mandate to conclude an LBI with a clear roadmap, the EU proposed six elements that should be included in such a mandate, including a clear end date for negotiations. AOSIS discussed its proposal for possible elements for an LBI. Many delegates supported a mandate from Durban to conclude an LBI. One developing country said the Cancun mandate was to discuss legal options and not to discuss a mandate to conclude an LBI. A number of delegates reiterated that it was premature to discuss the legal form of the agreed outcome, lamenting this sentiment was not reflected in the new text. The Gambia, for the LDCs, stressed that the mandate must be based on the Bali building blocks, and said any political statement or declaration that leaves "open" the legal form is unacceptable. The MARSHALL ISLANDS said a discussion on legal options cannot take place without hearing views on "how we would actually get there," and stressed flexibility to allow for scaling up of ambition over time. The US said the list of options provides a reasonable reflection of multiple ideas that could be taken forward. The group agreed to continue discussions on this issue.

#### AWG-KP INFORMAL GROUPS

**ANNEX I EMISSION REDUCTIONS:** In the afternoon spin-off group, parties discussed submissions and proposed amendments to the Chair's revised text (FCCC/KP/AWG/2011/CRP.1). One party's submission addressed the carry-over of surplus AAUs from the first to the second commitment period, and proposed that, *inter alia*: carry-over be limited to 1% of each party's AAUs for the first commitment period; parties have the option to sell the carried-over amount, with 50% of the revenue transferred to the Adaptation Fund and 50% used for domestic mitigation.

Another submission introduced a REDD+ mechanism to assist Annex I parties in achieving compliance with their quantified emission limitation and reduction commitments under the Protocol.

One party proposed reducing the amount of AAUs that can be carried over in a second commitment period. Differing views were also exchanged on the share of proceeds. The final spin-off group on Chapter I concluded, with the facilitator agreeing to compile parties' views, which will be sent to the chair of the AWG-KP.

**FLEXIBILITY MECHANISMS:** In the afternoon spin-off group, parties continued to discuss options, clarify issues and streamline text under Chapter III. Parties agreed to a narrowed list of improvements needed on: continuity of CDM, nuclear energy in both CDM and JI, share of proceeds, and new market-based mechanisms. Co-Facilitator Barata will report to the AWG-KP Chair on these issues and a list of proposed insertions and objections to the text, which will be reviewed in the AWG-KP contact group.

**LULUCF:** The informal group met in the morning and the afternoon and agreed to a revised text on *force majeure* now known as "disturbances," with a few issues outstanding. Delegates also addressed text on harvested wood products (HWP). A developing country proposed a definition of forests, but parties did not agree to include it. The revised Chapter II text will be made available on Friday morning for consideration by parties.

#### IN THE CORRIDORS

A sense of urgency prevailed on Thursday, with only two days remaining before the end of the session. With the focus on Durban, many informal groups rushed to conclude their work. The informal group on adaptation held marathon drafting sessions throughout the day, and were reportedly "moving forward in a harmonious atmosphere."

One negotiator deeply immersed in the technology group for most of the day said "We have made progress and have mandated the Secretariat to develop a paper on criteria interessionally. The text as it stands is messy, but at least we have text that is moving forward to Durban." Other groups had less positive news to report. In shared vision, for example, views on the scope of the shared vision remained far apart. One negotiator involved in the discussions said the new shared vision text is "messier, more difficult and longer" than the previous text, with "parties throwing in issues that will never go anywhere." A third iteration of the text comes out on Friday, and it remains to be seen whether it will actually streamline the submissions by parties or mushroom into an even "more unmanageable text," in the words of another negotiator.

Many delegates in the corridors expressed satisfaction with the shift in discussions in the finance group. "Delegates finally agreed to consolidate parties' submissions on long-term finance," said a smiley negotiator. "Let's hope this spirit prevails during the closing plenary tomorrow."

**ENB SUMMARY AND ANALYSIS:** The *Earth Negotiations Bulletin* summary and analysis of the UN Climate Change Conference in Panama will be available on Monday, 10 October 2011 online at: <http://www.iisd.ca/climate/ccwg16/>

## SUMMARY OF THE PANAMA CITY CLIMATE CHANGE TALKS: 1-7 OCTOBER 2011

The UN Climate Change Conference took place from 1-7 October 2011 in Panama City, Panama. The conference included the third part of the 16th session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the third part of the 14th session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA). The conference drew approximately 1,836 participants.

The focus of the AWG-KP was on a second commitment period under the Kyoto Protocol, after the first commitment period expires at the end of 2012. Parties concentrated on outstanding issues and further clarifying the options concerning mitigation targets, the possible nature and content of rules for a second commitment period, and the role of a possible second commitment period within a balanced outcome in Durban. Progress made was captured in a revised proposal by the AWG-KP Chair (FCCC/KP/AWG/2011/CRP.2/Rev.1). Parties also agreed to suspend AWG-KP 16 and resume it in Durban, South Africa, in December.

Under the AWG-LCA, parties engaged in extended procedural discussions, based on Decision 1/CP.16 and the Bali Action Plan. Parties worked in a single contact group and informal groups on adaptation, finance, technology, capacity building, shared vision, review of the global long-term goal, legal options, and diverse issues related to mitigation. The outcome for most of the informal group discussions was some “form of text” forwarded to Durban as a basis for further discussions. Parties agreed to work intersessionally to further streamline the text and incorporate submissions. Progress was made on some issues, however many felt that the outcomes were relatively modest and a lot of work remains to be done in Durban.

### A BRIEF HISTORY OF THE UNFCCC AND THE KYOTO PROTOCOL

The international political response to climate change began with the adoption of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, which sets 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 195 parties.

In December 1997, delegates to the third session of the Conference of the Parties (COP) in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission reduction targets. These countries, known as Annex I parties under the UNFCCC, 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 now has 193 parties.

At the end of 2005, the first steps were taken to consider long-term issues. Convening in Montreal, Canada, the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1) decided to establish the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) on

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the basis of Protocol Article 3.9, which mandates consideration of Annex I parties' further commitments at least seven years before the end of the first commitment period. COP 11 agreed 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. Negotiations resulted in the adoption of the Bali Action Plan. Parties established the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) with a mandate to focus on key elements of long-term cooperation identified during the Convention Dialogue: mitigation, adaptation, finance, technology and a shared vision for long-term cooperative action. The Bali conference also resulted in agreement on the Bali Roadmap, based on two negotiating tracks under the Convention and the Protocol, and set a deadline for concluding the negotiations at COP 15 and COP/MOP 5 in Copenhagen in December 2009.

**COPENHAGEN CLIMATE CHANGE CONFERENCE:** The UN Climate Change Conference in Copenhagen, Denmark, took place from 7-19 December 2009, and included COP 15 and COP/MOP 5, the 31st sessions of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technology Advice (SBSTA), as well as AWG-KP 10 and AWG-LCA 8. Over 110 world leaders attended the joint COP and COP/MOP high-level segment from 16-18 December.

The conference was marked by disputes over transparency and process. During the high-level segment, informal negotiations took place in a group consisting of major economies and representatives of regional and other negotiating groups. Late in the evening of 18 December, these talks resulted in a political agreement: the "Copenhagen Accord," which was then presented to the COP plenary for adoption. Over the next 13 hours, delegates debated the Accord. Many supported adopting it as a step towards securing a "better" future agreement. However, some developing countries opposed the Accord, which they felt had been reached through an "untransparent" and "undemocratic" negotiating process. Ultimately, the COP agreed to "take note" of the Copenhagen Accord. It established a process for parties to indicate their support for the Accord and, during 2010, over 140 countries did so. More than 80 countries also provided information on their national emission reduction targets and other mitigation actions.

On the last day of the Copenhagen Climate Change Conference, the COP and COP/MOP also agreed to extend the mandates of the AWG-LCA and AWG-KP, requesting them to present their respective outcomes to COP 16 and COP/MOP 6.

**CANCUN CLIMATE CHANGE CONFERENCE:** Following four preparatory meetings in 2010, the UN Climate Change Conference in Cancun, Mexico, took place from 29 November to 11 December 2010. By the end of the conference, parties finalized the Cancun Agreements, which include decisions under both negotiating tracks. Under the Convention track, Decision 1/CP.16 recognized the need for deep cuts in global emissions to achieve the 2°C target. Parties also agreed to consider strengthening the global long-term goal during a review

by 2015, including in relation to the 1.5°C target. They took note of emission reduction targets and nationally appropriate mitigation actions (NAMAs) communicated by developed and developing countries respectively (FCCC/SB/2011/INF.1/Rev.1 and FCCC/AWGLCA/2011/INF.1, both issued after Cancun), and agreed to discuss them during workshops in 2011. Decision 1/CP.16 also addressed other aspects of mitigation, such as measuring, reporting and verification (MRV); and reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+).

Parties also agreed to establish several new institutions and processes. These included the Cancun Adaptation Framework and the Adaptation Committee, as well as the Technology Mechanism, which includes the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN). On finance, Decision 1/CP.16 created the Green Climate Fund (GCF), which was designated as the new operating entity of the Convention's financial mechanism and is to be governed by a board of 24 members. Parties agreed to set up a Transitional Committee tasked with the Fund's detailed design, and established a Standing Committee to assist the COP with respect to the financial mechanism. They also recognized the commitment by developed countries to provide US\$30 billion of fast-start finance in 2010-2012, and to jointly mobilize US\$100 billion per year by 2020.

Under the Protocol track, Decision 1/CMP.6 included agreement to complete the work of the AWG-KP and have the results adopted by the COP/MOP as soon as possible, and in time to ensure there will be no gap between the first and second commitment periods. The COP/MOP urged Annex I parties to raise the level of ambition of their emission reduction targets with a view to achieving aggregate emission reductions consistent with the range identified in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). Parties adopted Decision 2/CMP.6 on land use, land-use change and forestry (LULUCF).

The mandates of the two AWGs were also extended until the next UN Climate Change Conference, in Durban, South Africa, to be held from 28 November to 9 December 2011.

**UN CLIMATE CHANGE TALKS IN BANGKOK:** After Cancun, the two AWGs resumed their work in Bangkok from 3-8 April 2011. The AWG-LCA spent the Bangkok session engaged in procedural discussions on its agenda. Following a week of negotiations, agreement was reached on the agenda that formed the basis of work for the resumed AWG-LCA 14 in Bonn. Under the AWG-KP, parties focused on key policy issues hindering progress under the Protocol track.

**UN CLIMATE CHANGE TALKS IN BONN:** The UN Climate Change Conference took place in Bonn, Germany, from 6-17 June 2011 and included the 34th sessions of the SBI and SBSTA, as well as the second parts of AWG-LCA 14 and AWG-KP 16.

The SBSTA's closing plenary agreed to consider, at its next session, the proposed new item on impacts of climate change on water and integrated water resources management under the Nairobi Work Programme on impacts, vulnerability and adaptation. No agreement was reached on other proposed new items, such as blue carbon and rights of nature and the integrity of ecosystems, and a work programme on agriculture.

Under the SBI, work was launched on national adaptation plans, and loss and damage, the consideration of which was mandated by the Cancun Agreements while the agenda item relating to MRV remained in abeyance. Proposed new items related to the impacts of the implementation of response measures also featured prominently in the agenda discussions. As a result, the SBI and SBSTA Chairs convened a forum on the impact of the implementation of response measures organized as a contact group.

The focus of the AWG-KP was on outstanding political issues and conditionalities set by various Annex I countries for taking on new commitments during a second commitment period. Despite initial opposition from developing countries, parties also undertook technical work on issues, including LULUCF, the flexibility mechanisms and methodological issues. Progress made was captured in a revised proposal by the AWG-KP Chair (FCCC/KP/AWG/2011/CRP.1).

Under the AWG-LCA, substantive work began, based on Decision 1/CP.16. Parties worked in a single contact group and informal groups on adaptation, finance, technology, capacity building, shared vision, review of the global long-term goal, legal options, and diverse issues related to mitigation. Parties agreed that notes prepared by the facilitators of the AWG-LCA informal groups be carried forward to the third part of AWG-LCA 14. While progress was made on some issues, many felt that the outcomes were relatively modest.

## REPORT OF THE MEETING

Opening the session on Saturday, 1 October, UNFCCC Executive Secretary Christiana Figueres called on parties to bridge remaining differences in Panama to facilitate agreement in Durban. She highlighted progress on the design of the Green Climate Fund (GCF) and the Technology Executive Committee (TEC), but underscored the need for progress on monitoring, review and verification (MRV) and the Review. Figueres stressed that negotiations are working against the clock under the Kyoto Protocol and that Durban needs to address further commitments for developed countries under the Protocol; she called for the evolution of the mitigation framework under the Convention for developed and developing countries.

Roberto Henríquez, Minister of Foreign Affairs, Panama, welcomed participants, observing that this meeting is a small but significant step in the path towards the global objective of addressing climate change. He underscored that COP 17 must result in the adoption of a second commitment period under the Kyoto Protocol and decisions to achieve the objectives of the Bali Action Plan (BAP).

## AD HOC WORKING GROUP ON FURTHER COMMITMENTS FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL

AWG-KP Chair Adrian Macey (New Zealand) opened the resumed session on Saturday, 1 October. He suggested resuming the five spin-off groups on: Annex I parties' further commitments; land use, land-use change and forestry (LULUCF); the flexibility mechanisms; other issues; and potential consequences. He said informal consultations would be held on whether to convene a legal group. Parties agreed to the organization of work. Macey underscored the need to define the nature and content of rules for the second commitment period of the Kyoto Protocol, and its relationship with the AWG-LCA outcome.

South Africa reported on informal consultations held in the run-up to Durban, emphasizing efforts to ensure transparency and inclusiveness. On key challenges for Durban, she underscored a decision on a second commitment period under the Kyoto Protocol that is linked to the legal status and form of the future climate change regime. She highlighted views expressed in consultations, including: a possible mandate for a process towards a comprehensive legally-binding agreement with agreed timeframes and milestones; a Review that could be a vehicle for progress towards a legally-binding agreement; and the need to build trust through clear MRV rules.

Argentina, for the Group of 77 and China (G-77/China), expressed concern at the lack of progress under the AWG-KP, emphasizing that political will is key for establishing a second commitment period. He also called for overcoming the wide gap between developed country emission reduction pledges and what is required by science, equity and historical responsibility.

The Democratic Republic of the Congo, for the African Group, stressed that agreement on a second commitment period is "absolutely essential," observing that Durban should result in a legally-binding outcome under the AWG-KP.

Poland, for the European Union (EU), reiterated their willingness to consider a second commitment period under the Kyoto Protocol contingent on agreement on process for a legally binding comprehensive framework. He emphasized the need to preserve the multilateral rules-based approach in Durban.

Australia, for the Umbrella Group, underscored the need for an overarching agreement in Durban that is able to enhance ambition over time. She said the Kyoto Protocol alone cannot solve climate change and stressed the need for a global agreement that includes all major emitters.

The Gambia, for the Least Developed Countries (LDCs), underscored the need to resolve outstanding issues to enable the adoption of a second commitment period. He also stressed the need to ensure that there is no gap between the first and subsequent commitment periods.

Monaco, on behalf of the Environmental Integrity Group (EIG), highlighted the need for progress on technical issues, such as LULUCF, the transformation of emission reduction pledges into quantified emission limitation and reduction objectives (QELROs), carry-over of surplus assigned amount units (AAUs), and the flexibility mechanisms.

Emphasizing that Durban should result in a second commitment period under the Kyoto Protocol, Grenada, for the Alliance of Small Island States (AOSIS), called for improving the effectiveness of the Kyoto Protocol by closing loopholes and ensuring its continuity by adopting ratifiable amendments for the second commitment period that will be provisionally applied pending entry into force.

Papua New Guinea, for the Coalition of Rainforest Nations, called for rules on LULUCF to ensure accurate land-based accounting and limits on the use of surplus AAUs. She highlighted the possible role of REDD+ in complementing developed country domestic mitigation efforts and supporting developing country efforts in sustainable forest management.

Egypt, for the Arab Group, stressed that a second commitment period under the AWG-KP is “fundamental,” reiterating that efforts to impede agreement will be detrimental to developing countries.

Bolivia, speaking on behalf of the Bolivarian Alliance for the Peoples of our America (ALBA), opposed convening a spin-off group on legal issues as it might lead to a “legal vacuum” by giving some countries the opportunity to opt-out of future agreements.

Samoa, speaking for the Cartagena Dialogue, underscored the need for the Panama meeting to deliver serious technical work on the key elements of the Cancun package and called for “candid” dialogue on the future of the Kyoto Protocol and the adoption of a legally-binding agreement.

The International Emissions Trading Association, for Business and Industry, underscored the success of the Clean Development Mechanism (CDM) and said the CDM should not be allowed to lapse purely for political reasons.

Climate Action Network, for Environmental NGOs (ENGOs), called on parties to close loopholes that can undermine emission reductions, such as LULUCF, and ensure the comparability of Annex I emission reductions commitments.

The Pan-African Climate Justice Alliance, for ENGOs, lamented the refusal of some Annex I countries to inscribe targets under a second commitment period and emphasized that a pledge and review framework cannot replace the Kyoto Protocol.

Fundación para la Promoción del Conocimiento Indígena, for Indigenous Peoples, called for climate change initiatives to consider the full effective participation of indigenous peoples, including free prior informed consent and ensuring the GCF and REDD+ respect and support indigenous peoples’ rights.

**CONTACT GROUP ON ANNEX I FURTHER COMMITMENTS:** AWG-KP Chair Adrian Macey opened the contact group on Annex I parties’ further commitments on Saturday. He underscored that the contact group would focus on political and any issues forwarded by the substantive spin-off groups. He suggested discussing, *inter alia*: the extent to which the transformation of pledges into QELROs is possible in Durban; how to address the level of ambition, including the aggregate level of ambition and moving parties from the low to the high end of pledge ranges; and addressing a possible gap between commitment periods, such as through provisional application of an amendment.

Saint Lucia, for AOSIS, called for: transforming current pledges on the table into QELROs to enable progress in discussions; enhancing ambition by closing loopholes; provisional application of any agreement on a second commitment period to resolve the issue of the gap; and discussion of consequential amendments.

The EU called for clarity on parties’ pledges, including on a starting point and the length of the commitment period, which are prerequisites for determining QELROs. Reiterating that their stance on the second commitment period has not changed, Japan emphasized they would not make emission reduction pledges within the framework of a second commitment period.

Australia called for strengthening accounting rules in both AWG tracks, and cautioned against developing two different sets of rules. She reiterated the need for a balanced agreement that includes all major emitters in order to avoid a gap between commitment periods. Peru emphasized the importance of a second commitment period for preserving a multilateral rules-based system, rather than a system based on pledge-and-review.

New Zealand stated their willingness to take a second commitment period in the context of a comprehensive global agreement that contains legally-binding emission reduction targets for all major emitters.

On the CDM, the EU explained that demand for projects and emission reduction credits will continue in Europe, regardless of adoption of a second commitment period. He also called for constructive discussions in Panama by striving for “smooth continuity” in the post-2012 regime, rather than emphasizing the gap between commitment periods.

Venezuela, with Brazil and Bolivia, underscored that the CDM cannot function outside of the context of QELROs and, therefore, without a second commitment period. Venezuela said the CDM has a “shameful” record on hydrochlorofluorocarbons (HCFCs), while Bolivia highlighted their negative experiences with CDM projects. Brazil and India expressed concern about the possible proliferation of bilateral mechanisms and, with China, noted the value of the CDM. Venezuela and Nicaragua stressed that countries should not be able to select beneficial elements of the multilateral process, while neglecting difficult elements.

The EU acknowledged that there is “room for improvement” on HCFC-23 credits and said they would be banned in the EU in the near future. He also said that ratification of a Durban decision would take time and emphasized the need to ensure continuity. Japan underscored the achievements of the CDM in promoting sustainable development in developing countries.

Two further stock-taking contact group sessions convened during the week, where spin-off group facilitators reported on progress. The spin-off groups addressed the following issues:

- Amendments to the Kyoto Protocol pursuant to its Article 3, paragraph 9 (also known as the “numbers” group), co-facilitated by Leon Charles (Grenada) and Jürgen Lefevere (EU);
- Emissions trading and project-based mechanisms, co-facilitated by Pedro Barata (Portugal) and El Hadji Mbaye Diagne (Senegal);

- Land use, land-use change and forestry, co-facilitated by Marcelo Rocha (Brazil) and Peter Iversen (Denmark);
- Greenhouse gases, sectors and source categories, common metrics to calculate the carbon dioxide equivalence of anthropogenic emissions by sources and removals by sinks, and other methodological issues, facilitated by AWG-KP Vice-Chair Madeleine Diouf (Senegal); and
- Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties, facilitated by Eduardo Calvo (Peru).

**Amendments/numbers:** During the spin-off group on amendments to the Kyoto Protocol pursuant to its Article 3, paragraph 9, parties agreed to focus discussions on: transformation of pledges into QELROs, including the impact of LULUCF rules; streamlining options on the carryover of surplus AAUs; and working through the chapter text. Parties were not able to agree on establishing an informal group to identify further items to be elevated to the contact group on Annex I parties' further commitments and the possibility of discussing Option B (consequential amendments).

During the final spin-off group meeting, parties introduced a number of submissions and expressed divergent positions on the issue of share of proceeds.

A submission from the Democratic Republic of Congo, on behalf of the African Group, addressed the carry-over of surplus AAUs from the first to the second commitment period, specifying that, *inter alia*: carry-over be limited to 1% of each party's assigned amount for the first commitment period; and parties be able to sell the carried-over amount, with 50% of the revenue to be transferred to the Adaptation Fund. The Papua New Guinea submission introduced a REDD+ mechanism to assist Annex I parties in achieving compliance with their quantified emission limitation and reduction commitments under the Protocol. In addition to submissions and the revised facilitator's note, parties agreed that work would also be guided in Durban by a table produced by the Secretariat capturing the state of technical work on the transformation of pledges into QELROs. The table will be used as a basis for discussion to assist the spin-off group on further technical discussions.

In the final AWG-KP contact group on Friday, Facilitator Charles noted the productive work within the spin-off group, especially on the transformation of pledges into QELROs and on carryover AAUs. He indicated that many outstanding issues are of a political nature.

**Flexibility Mechanisms:** In the spin-off group working on emissions trading and the project-based mechanisms, parties tried to clarify positions on general issues and agreed to remove text on discount factors under the CDM. On the continuation of the mechanisms, parties agreed that no more progress could be made on the text without a "political level" decision. Streamlined options from the text are contained in the new Co-Facilitators' note, which will be forwarded to Durban.

In AWG-KP closing plenary Co-Facilitator Barata reported on future work remaining on the issues of continuation, share

of proceeds, eligibility of nuclear facilities under the CDM and Joint Implementation (JI), and mechanisms.

**LULUCF:** In the spin-off group, parties addressed natural disturbances, a cap on forest management and harvested wood products. Parties exchanged views on *force majeure* and natural disturbances, including the commonalities and differences of both concepts. Delegates eventually agreed to a revised text on *force majeure* now known as "disturbances," with a few issues outstanding. In the Chair's revised text (FCCC/KP/AWG/2011/CRP.1), delegates agreed to streamline text on, *inter alia*: reference levels; and rewetting and drainage. Some parties supported a proposal on a cap for forest management when using reference levels, which remained bracketed. Parties also addressed the proposal on "flexible land use." In the AWG-KP closing plenary, many parties welcomed progress on LULUCF.

**Other issues:** The spin-off group on the basket of methodological issues (FCCC/KP/AWG/2011/CRP.1, Chapter IV) met only once in Panama. Parties reviewed options for language on greenhouse gases, common metrics, application of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and cross-cutting issues. Parties discussed the two options contained in the revised proposal by the Chair, with many noting that agreement on one option is contingent on whether to include nitrogen trifluoride in the coverage of the quantified emission limitation and reduction commitments for the second commitment period. On the proposed method of work, parties discussed the relationship between issues under Chapter IV and Chapter I (Amendments to the Kyoto Protocol) and a need to proceed with discussions in an integrated manner.

AWG-KP Vice-Chair Diouf reported that parties are not yet comfortable eliminating options in the text and that more time is needed to agree on outstanding issues, while also indicating that progress in Durban is contingent on addressing political issues.

**Potential consequences:** The spin-off group on potential consequences (FCCC/KP/AWG/2011/CRP.1, Chapter V) met once in Panama. Parties discussed the outstanding issue on whether to establish a permanent forum as a means for parties to report and evaluate impacts and consequences of policies and measures, or to use existing channels, including national communications. Parties could not find convergence between the two issues, and the Chapter V text has been deferred to COP/MOP 7 "as-is."

These discussions ended with parties forwarding a revised Chair's proposal (FCCC/KP/AWG/2011/CRP.2) to capture the work undertaken in Panama and to streamline, clarify and update text contained in the Bonn Facilitator's note. All of the Facilitator's notes can be found online at [http://unfccc.int/meetings/ad\\_hoc\\_working\\_groups/lca/items/6189.php](http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/6189.php)

**CLOSING PLENARY:** The closing plenary of the third part of the AWG-KP 16 took place on Friday afternoon. AWG-KP Chair Macey noted that the objective at the meeting had been to further clarify issues, "find a zone of convergence" on essential items, streamline proposals in the text, and get as close as possible to a draft text for Durban. He noted that parties

had taken a step forward towards this goal in Panama, and had expressed a “clear, strong wish to complete the work of the AWG-KP in Durban.”

He highlighted issues raised in Panama, including: the nature of the second commitment period; the fact that some Annex I parties have stated that they will not take up QELROs in a second commitment period under the Kyoto Protocol; and the continuation of market-based mechanisms after 2012, especially the CDM.

He introduced the outcome of work in a revised proposal by the Chair (FCCC/KP/AWG/2011/CRP.2), which captures progress made in the session. In particular, he outlined the usefulness of discussions on: the transformation of pledges into QELROs under Chapter I, under which a table of possible QELROs was considered; natural disturbances under Chapter II; and discount factors and the continuation of mechanisms (Chapter III). He noted that the text under Chapters IV and V were viewed as sufficiently advanced to be forwarded to Durban, and the text remains unchanged. On future work, Chair Macey noted that many parts of the text are complete technically and now await a political decision although future technical work remains on some issues, such as LULUCF.

Argentina, for the G-77/China, emphasized the need for a balanced and ambitious outcome in Durban in accordance with provisions and principles of the Convention, especially the principles of equity and common but differentiated responsibilities. He described the Kyoto Protocol as the “cornerstone” of the climate change regime and emphasized that the establishment of second commitment period targets are an essential requirement for Durban. They called for balanced progress under both the AWG-KP and AWG-LCA tracks, and emphasized the need for parties to ensure there is no gap between the first and second commitment periods.

Switzerland, on behalf of the EIG, affirmed progress was made under the resumed session, and indicated that most remaining issues are of a political nature.

Australia, for the Umbrella Group, referred to the Kyoto Protocol as an important part of efforts to reduce emissions, offering rules and infrastructure that can be used towards a new framework. She cautioned against a second commitment period of the Kyoto Protocol without a balanced agreement that covers all major emitters. She welcomed progress in Panama on new rules to incentivize emission reductions in all sectors, and called for continuity of market approaches as a keystone for a new regime.

Poland, for the EU, welcomed progress on many issues, including discussions on a future legally-binding framework. He stressed the willingness of the EU to consider a second commitment period of the Kyoto Protocol, as part of a wider outcome that engages all major economies. He noted positive efforts made towards streamlining language, advancing work on the transformation of pledges into QELROs, carry-over of surplus AAUs, and the length of the commitment period. He stressed the need for continuing market-based mechanisms in order to have economically feasible emission reduction efforts.

Grenada, for AOSIS, welcomed the proposals made in Panama to address the environmental integrity of the Kyoto Protocol, and called for enhanced efforts to increase support for adaptation through share of proceeds under the CDM. She outlined expectations for Durban, including: a substantial increase in mitigation ambition of all Annex I parties, the adoption of a decision to establish a second commitment period under the Kyoto Protocol to run from 2013-2017 with a base year of 1990 as part of a two-track outcome; and the continuity of commitments in 2012 through the provisional application of amendments to Annex B.

The Democratic Republic of Congo, for the African Group, underscored the need for full implementation of a second commitment period and lamented a “lack of political will by Annex I parties” on this issue. He drew attention to submissions from his Group on carry-over of surplus AAUs and LULUCF, and called on parties to close loopholes to ensure environmental integrity.

The Gambia, on behalf of LDCs, reaffirmed the importance of a second commitment period under the Kyoto Protocol. She stressed that political declarations are not sufficient for the most vulnerable countries.

Bolivia, on behalf of ALBA, said they are ready to work constructively towards a second commitment period. Papua New Guinea, on behalf of the Coalition for Rainforest Nations, reiterated the need for legally-binding targets to reduce carbon emissions.

El Salvador, for the Central American Integration System (SICA), called for procedural transparency and an increased scale of emission reductions from major emitting countries. Egypt, for the Arab Group, called on all Annex I parties to work towards the same goal.

The Third World Network, for ENGOs, cautioned against the efforts by some Annex I countries to replace the Kyoto Protocol with a new treaty under the AWG-LCA that is likely to be a weak, domestic, pledge and review system. The Indigenous International Forum, for Indigenous Peoples Organizations (IPOs), called for respecting rights of indigenous peoples in international and national climate change and legislation. 350.org for youth NGOs drew attention to Africa as the continent representing “ground zero for climate change.” The International Trade Union Confederation stressed the need for just transition.

The third part of AWG-KP 16 was suspended at 4:33 pm.

#### **AD HOC WORKING GROUP FOR LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION**

AWG-LCA Chair Daniel Reifsnyder (US) opened the resumed session on Saturday, 1 October, and called on parties to work on developing draft decision text on all elements under the AWG-LCA. UNFCCC Executive Secretary Christiana Figueres provided an overview on the meetings held by the Transitional Committee for the design of the GCF, noting good progress. She also reported on the first meeting of the TEC, held in Bonn, Germany in June. Bolivia highlighted the “Days of Citizen Participation” event, held from 16-18 September 2011, bringing together 3000 representatives of the Andean Community of

Nations. On fast-start finance, AWG-LCA Chair Reifsnyder observed that submissions had been received from a number of parties (UNFCCC/CP/2011/INF.1).

AWG-LCA Chair Reifsnyder noted that work would resume on all substantive items established during the second part of AWG-LCA 14 in June. He clarified that the in-depth work identified by the facilitators during the Bonn session comprises part of the work of informal groups, and that items listed are not meant to be prescriptive. Parties agreed to the organization of work.

Argentina, for the G-77/China, emphasized the group's commitment to the fulfillment of the BAP and finding appropriate solutions to issues not addressed in Cancun. He called on parties to ensure a transparent and inclusive process aimed at producing negotiating texts for Durban. Switzerland, for the EIG, emphasized the need to leave Panama with clarity on the road ahead, and "a negotiating text in hand." Venezuela, for ALBA, underscored achieving the objectives of the BAP and fulfilling legal obligations, without excuses or conditionalities.

The Democratic Republic of the Congo, for the African Group, called for a balanced science-based outcome in Durban to implement both the Convention and the Protocol. He expressed concern over the lack of attention given to the Adaptation Framework, and sources and scale of finance.

The EU said developing draft decision text in Panama is key for a successful outcome in Durban and called for a comprehensive legally-binding framework that engages all parties. He said the "ambition gap" must be resolved and urged development of a robust, transparent and rigorous MRV framework. He said discussions in Panama must address the legal form, including options for Durban, and a roadmap to reach the 2°C target.

Australia, for the Umbrella Group, called for an effective global climate change framework and highlighted a package of elements that would enable progress and ensure environmental integrity, including: international consultation and analysis (ICA); international assessment and review (IAR); and MRV. She underscored, *inter alia*: ambitious mitigation actions by all major emitters; fully implementing the Cancun Agreements; and developing draft text on IAR, ICA and biennial reports.

Saudi Arabia, for the Arab Group, stressed that adaptation to climate change involves both adaptation to the impacts of climate change and adaptation to the impacts of response measures.

Grenada, for AOSIS, called on parties to finalize the design and operationalization of the essential functions of the new mechanisms established by the Cancun Agreements. She emphasized that increasing mitigation ambition should be a priority and that the outcomes of the AWG-LCA should be captured in a legally-binding instrument.

Papua New Guinea, for the Coalition of Rainforest Nations, proposed working towards the adoption of a specific decision on financing options for the full implementation of REDD+ results-based actions, in Durban. El Salvador, for SICA, emphasized the need to operationalize the GCF in Durban. He urged parties to avoid parallel processes, which could marginalize and exclude some UNFCCC parties.

The Gambia, for LDCs, called for discussions in Panama to lay the basis for a balanced and legally-binding outcome in Durban. Belarus, for countries with economies in transition (EITs), explained that transitional economies face difficulties moving towards a low carbon economy and require support through best practices.

**ITEMS 3, 4, 5 AND 6:** This issue covers the agenda items on: preparation of an outcome to be presented to COP 17; review of the long-term global goal; legal options; and other matters, including Annex I parties undergoing the process of transition to a market economy and Annex I parties whose special circumstances have been recognized by the COP.

During the first meeting of the AWG-LCA contact group, AWG-LCA Chair Reifsnyder proposed, and parties agreed, to continue the work of the AWG-LCA in one contact group, which would meet periodically to "touch-base on progress," while informal groups would address substantive issues. He said the groups would be organized as follows:

- developed country mitigation, co-facilitated by José Alberto Fernández Garibaldi (Peru) and Karine Hertzberg (Norway);
- developing country NAMAs, co-facilitated by Fernández Garibaldi and Herzberg;
- REDD+, facilitated by Antonio Gabriel La Viña (the Philippines);
- sectoral approaches and sector-specific actions, facilitated by George Wamukoya (Kenya);
- various approaches, including opportunities for using markets to enhance the cost-effectiveness of and to promote mitigation actions, facilitated by Alexa Kleysteuber (Chile);
- response measures, facilitated by Crispin d' Auvergne (Saint Lucia);
- adaptation, facilitated by Kishan Kumarsingh (Trinidad and Tobago);
- finance, co-facilitated by Georg Børsting (Norway) and Suzanty Sitorus (Indonesia);
- technology transfer, facilitated by Jukka Uosukainen (Finland);
- capacity building, facilitated by Uosukainen;
- shared vision, facilitated by AWG-LCA Vice-Chair Margaret Mukahanana-Sangarwe (Zimbabwe);
- the Review, facilitated by AWG-LCA Vice-Chair Mukahanana-Sangarwe;
- legal options, facilitated by María del Socorro Flores (Mexico); and
- other matters, facilitated by Kunihiko Shimada (Japan).

Chair Reifsnyder proposed that Burhan Gafoor (Singapore) facilitate informal discussions on the level of ambition (paragraphs 36-38 and 48-51 of the Cancun Agreements). China preferred addressing the issue in the informal groups on developed country mitigation and developing country NAMAs, which was eventually agreed to. Parties agreed that the first and last sessions of each informal group would be open to observers.

**Mitigation by developed countries:** In the informal group, parties discussed IAR, biennial reports and level of ambition (paragraphs 36-38 in Decision 1/CP.16). The Co-Facilitators presented separate non-papers on these issues.

On IAR, Australia called for making use of existing COP guidance and reviewing the extent to which parties have achieved quantified economy-wide emission reduction targets. Australia, supported by Norway, proposed integrating biennial reports and IAR into existing reporting to avoid duplication. Developing countries called for promoting consistency in accounting and comparability of efforts among developed countries through the application of common agreed rules. However, a group of developed countries said IAR needs to be complemented by an accounting system that includes carbon budget periods, LULUCF and mechanisms. Several developing country parties objected to the “merging” of IAR and ICA provisions. Divergent views were expressed among developing and developed countries on compliance, with the former saying that comparability and compliance are key objectives of the IAR process. Some developed countries disagreed, saying a compliance process had not been agreed to.

On biennial reports, Saudi Arabia emphasized reporting on the effects of mitigation activities. The EU suggested that the objectives of guidelines, structures, the modalities for communications and the detail required in biennial reports could be captured in an annex to a decision. Singapore said that biennial reports should also function as an early warning system. Parties considered a Co-Facilitators’ non-paper, with many developing countries highlighting that, *inter alia*: information in the biennial reports should be based on common accounting rules and performance indicators as a way to improve transparency and comparability; and that there be no “parallelism” with biennial update reports for developing countries. Several developed countries supported diverse accounting methodologies to reflect the wide range of methods available to reduce emissions.

On level of ambition, parties examined options and means to increase commitments and advance work in the lead-up to Durban. Some developed countries requested a “common space” to discuss the level of ambition, which many developing countries opposed, underscoring the different nature and content of the provisions on the level of ambition for developed countries and the provisions on NAMAs for developing countries (paragraphs 48-51 of decision 1/CP.16).

During the final AWG-LCA contact group meeting on Friday, Co-Facilitator Fernández Garibaldi reported that the group had developed three non-papers on: possible elements of a draft for biennial reports of developed countries; possible elements of modalities for IAR; and a Co-Facilitators’ summary of discussion on paragraphs 36-38 (level of ambition).

On the way forward, parties agreed to set deadlines for submissions and prepare a revised version before Durban.

**Mitigation by developing countries:** In the informal group, parties addressed ICA, biennial update reports, the NAMA Registry and developing country mitigation actions (paragraphs 48-51 of Decision 1/CP.16). Parties considered separate non-papers prepared by the Co-Facilitators on each of these issues.

On ICA, parties addressed the principles, objectives and possible steps for the process. Some developing countries emphasized that IAR and ICA respond to different objectives,

and that while IAR is meant to assess and review the commitments made by Annex I parties and their comparability of efforts, ICA is intended to increase transparency of voluntary mitigation actions, especially those that are internationally supported. Many developing countries highlighted that the ICA frequency was not established under the Cancun Agreements and should be flexible depending on national circumstances. The US said ICA should go hand-in-hand with biennial reports and should provide input for the Review. Some developed countries said the ICA process should first address an analysis by experts, including impacts of mitigation actions, methodologies and assumptions, and then carry out a consultation to share views among parties in the SBI. Some developing countries highlighted that “international consultation and analysis” implies a sequence of how the process should be carried out. China said ICA should be a technical process and developing countries expressed concerns about the intrusion of technical experts carrying out “in-country visits.” When addressing the non-paper prepared by the Co-Facilitators, some parties pointed to further streamlining objectives and principles with the Cancun Agreements.

On biennial update reports, parties addressed the scope and content, possible elements, level of detail to be reported and the submission cycle. On content, some developing countries highlighted that the Cancun Agreements provide clear guidance on the core elements to be addressed. Australia called for progress on biennial update reporting guidelines to create a framework to enable developing countries to begin the process and suggested, with the EU, January 2014 as a date for the submission of the first biennial update report. Many developed countries supported using the biennial update report as an input for the 2015 Review. Developing countries said frequency should be related to the provision of support and consideration of respective capabilities of countries. Discussing the Co-Facilitators’ non-paper, many developing countries said the text should be further streamlined with relevant provisions of the Cancun Agreements and guidelines for Non-Annex I parties’ national communications.

On developing country mitigation actions, some developed countries called for a better understanding of the diversity, and assumptions behind, developing country pledges. Some developed countries supported preparing templates or standardizing NAMAs, which was opposed by many developing countries that pointed to the need for flexibility and understanding of the diversity of NAMAs. Some developing countries emphasized that the Cancun Agreements provide that NAMAs should be supported and enabled by technology transfer, financing and capacity building.

On the NAMA Registry, many parties expressed a common view that the registry should be web based and facilitate the matching of NAMAs seeking support and available support. Many developing countries said the registry should not become a prior requirement or bottleneck to access funding, including from the GCF. Many stressed the need for the registry to promote and enhance capacity building, respect the diversity of NAMAs, and have a design that is not “burdensome.”

During the final AWG-LCA contact group meeting on Friday, Co-Facilitator Hertzberg reported that the group had produced non papers on: the NAMA Registry; possible elements for the biennial update reports for developing countries; possible elements of modalities and procedures of ICA; and a Co-Facilitators' note on paragraphs 48-51 of the Cancun Agreements. Parties agreed that submissions would be received and a revised version of the non-papers will be prepared before Durban.

**REDD+:** In the informal group, parties addressed REDD+ financing. The Coalition of Rainforest Nations presented a proposal on financing for Phase 3 (full implementation). On Friday, 7 October, a non-paper on REDD+ finance was prepared by the facilitator containing potential elements and sources on REDD+ finance. On sources of financing, many parties highlighted that REDD+ should be supported through different financing sources that are optional for each country. Many parties underscored the need to include a REDD+ specific window under the GCF. Cautioning against duplication, some parties said this was being addressed by the Transitional Committee for the design of the GCF. Some parties noted that a possible outcome for Durban will be contingent on the outcome of ongoing relevant discussions under the SBSTA and the Transitional Committee, while others emphasized that discussions in the group should be independent from discussions in other fora.

During the final AWG-LCA contact group meeting on Friday, reporting on REDD+, Co-Facilitator La Viña said the group had produced a non-paper, which he referred to as a "placeholder text" containing elements for operational parts of a draft decision.

#### **Sectoral approaches and sector-specific actions:**

Throughout the week, parties based discussions on the general framework, agriculture and emissions from international aviation and maritime transport.

On the general framework, a joint submission (FCCC/AWG-LCA/2011/CRP.22) by a number of developing countries emphasized, *inter alia*: the importance of food security; the need to avoid barriers and distortions in international trade; and the importance of economic and social development in the context of sectoral approaches.

On agriculture, parties considered language and worked to identify shared views on aspects of food security, trade, economic development and poverty eradication. Facilitator Wamukoya distributed a guidance paper to facilitate the consolidation of text and parties agreed to work towards further streamlining it based on submissions, with input from the Facilitator's guidance paper and the Bonn Facilitator's note.

On international aviation and shipping, parties reflected on options for text. Some developed countries welcomed progress made by the International Maritime Organization (IMO) at the 62nd session of the Marine Environment Protection Committee, while other parties doubted the extent to which the measures will be applied globally due to the majority rather than consensus decision.

A Facilitator's note, which comprises primarily of consolidated texts from party proposals, will be used for guidance on the way forward. Parties were encouraged to further discuss and exchange views in order to reach some form of agreement at COP 17. During the final AWG-LCA contact group, Facilitator Wamukoya noted progress made on the general framework, agriculture and international bunker fuels. He said parties had divergent views on the textual options, which are contained in a Facilitator's note to go forward to Durban.

**Market and non-market approaches:** During informal group discussions, parties initially exchanged views on the mandate of the group to consider new market mechanisms. An 18-page compilation of proposals was produced, which is categorized under eight headings: preamble; principles and objectives for various approaches; evaluating existing approaches and lessons learned; conditionalities; framework for various approaches; new approaches; work programme; and readiness.

During the final AWG-LCA contact group meeting on Friday, Facilitator Kleysteuber reported that parties will review and streamline the compilation document before Durban, and that it will be used as the basis of discussion for a draft decision.

**Response measures:** Developing countries stressed the importance of this issue as part of a Durban outcome. In the informal group, developing country parties discussed, and expressed appreciation for the: Joint Workshop on Matters relating to Article 2.3 (adverse impacts of policies and measures) and 3.14 (adverse impacts of response measures), held 19-20 September 2011; workshop on promoting risk management approaches on the specific needs and concerns of developing country parties arising from the impact of the implementation of response measures (decision 1/CP.10), held 21 September 2011; and the joint SBI/SBSTA forum on the impact of the implementation of response measures, held in June 2011.

In the final meeting of the group, parties reviewed a Facilitator's note containing a summary of discussions and issues. The main questions summarized in the note include: whether discussions should take place under the AWG-LCA and the objective of such discussions; whether the draft text should be used as a basis for negotiations; and whether the group has a mandate to discuss trade. Many developing countries expressed reservations with the note, lamenting that their views were not adequately reflected while Canada and Australia welcomed the Facilitator's note.

During the final AWG-LCA contact group meeting on Friday, Facilitator d'Auvergne reported an active exchange by parties, but said that outstanding issues remained. Saudi Arabia expressed disappointment that the group did not produce text to take forward to Durban. A Facilitator's note, which summarizes the main issues of discussion and party submissions, will be made available.

**Adaptation:** Discussions in this group centered around three areas: the operational modalities for performing the functions of the Adaptation Committee; the composition of the Committee; and linkages with new and existing institutions under the Convention. Parties' views diverged on the composition of the Adaptation Committee, with developing countries noting the

need for input from vulnerable countries. The EU highlighted the urgency of finalizing draft decision text in Durban in order to operationalize the Committee. Parties discussed possible activities for the Committee, including: providing guidance and technical support to parties upon request, including through workshops and meetings; compiling, reviewing, synthesizing and disseminating information, knowledge, experiences and good practices, including through regional centers and networks, and national entities; developing and preparing targeted reports, technical papers, guidance materials, methodologies, web-based resources and other knowledge products; and creating channels and mechanisms to exchange information, knowledge and expertise, including through the creation of networks at the regional and international levels.

During the final AWG-LCA contact group meeting on Friday, Facilitator Kumarsingh reported that the group had agreed to a draft decision text based on a consolidated text, which incorporates views expressed and submissions from eight parties in the group. He further noted that text still needs to be negotiated, especially regarding the composition and procedures of the Adaptation Committee.

**Finance:** Discussions in the informal group centered on the proposed Standing Committee for the Financial Mechanism under the Convention and long-term finance.

On the Standing Committee, parties considered proposals from: Pakistan; Australia, Canada, Japan, New Zealand and the US; and Switzerland. The structure of a draft decision on the Standing Committee was also addressed. Parties agreed to consolidate textual submissions to form the basis for further discussion, with the *proviso* that all party submissions remain on the table.

On long-term finance, there was initial disagreement on whether the issue should be discussed at all. Parties then considered a new submission from Barbados, for AOSIS, and the Gambia, for LDCs. However, parties disagreed on whether the submissions should be consolidated, which many developing countries supported. Several developed countries maintained that consolidated text on the issue was “premature.” The mandate of the AWG-LCA to discuss long-term finance was also questioned. Many developing countries further requested the Co-Facilitator to consolidate all the proposals from parties on the Standing Committee and long-term finance into a single draft text for consideration. However, some developed countries preferred to address long-term finance by further discussing issues, such as climate finance and public versus private finance. The EU then submitted their proposal under this issue. A joint proposal from Australia, Canada and Japan was also submitted. Parties then agreed to consolidate all submissions on long-term finance.

In the final AWG-LCA contact group, Co-Facilitator Sitorus reported that the group produced draft Co-Facilitators’ consolidated text, one on long-term finance and one on the Standing Committee. She said parties’ comments, along with additional submissions, will be incorporated into revised text for Durban.

**Technology:** Parties focused discussions on various aspects of the CTCN including: the relationship between the host and the COP and the TEC; linkages between the TEC and the CTCN; respective roles of the CTCN; and the function and composition of a proposed selection panel for reviewing host proposals. A revised text was produced and contains language on, *inter alia*, the proposed mission, functions, architecture, roles and responsibilities network, budget, financial means and estimate of expected funding, governance, organizational structure, reporting and review, and terms of agreement for the CTCN. Submissions were received from the G-77/China and the EU, and a joint submission was received from Japan and the US, which highlighted selection process for the host of the CTCN, financing of the CTCN, and clarity on the interaction between the TEC and the CTCN.

In the final AWG-LCA contact group, Facilitator Uosukainen reported that parties expressed divergent views on the role of the CTCN, but agreed on the revised second draft text as a basis for discussions for draft decision text in Durban.

**Capacity Building:** Discussions in the informal group addressed the need for more coherence of capacity building under the different UNFCCC processes and emphasized the cross-cutting nature of capacity building. Parties discussed gaps in the delivery of capacity building as either integrated elements of projects and programmes or stand-alone activities. Parties discussed where, and how, capacity building is integrated in the mandates and work programmes of the LDC Expert Group (LEG) and the Consultative Group of Experts (CGE). Earlier in the week, the Facilitator produced a compilation of draft texts for a draft decision on capacity building, which addresses, *inter alia*: ways to enhance the monitoring and review of the effectiveness of capacity building; modalities regarding institutional arrangements for capacity building; and activities and reporting by parties on capacity building.

In the final AWG-LCA contact group, Co-Facilitator Uosukainen said the group produced a compilation of submissions in a draft text to be the basis of discussions to be taken further in Durban.

**Shared Vision:** The informal group on shared vision met four times in Panama. AWG-LCA Vice-Chair Mukahanana-Sangarwe asked for proposals and suggestions on the way forward in developing draft negotiating text for Durban. Divergent views emerged over how to proceed. Delegates discussed whether the Facilitator’s note from the Bonn meeting could be considered as a basis for further discussion, with some stating that it should be further developed based on views and submissions, and others expressing concern that the scope of the note was too wide. Developing countries said they expected all submissions by parties to be included in the negotiating text, with some countries reiterating that the shared vision should be in the context of the BAP. Many developed countries said the shared vision should be based on the two issues mandated from Cancun, that is, the long-term global goal and the peak year. One developing country said that the underlying basis of the goals must be agreed to before the specific goals themselves, and that decisions should be based on equity.

The group considered a revised text and discussed the status of the paper, with some reiterating that it was still a Facilitator's text, including consolidated views of parties, and not a draft decision text that could be used as the basis for negotiation in Durban. Some delegates expressed concern that their submissions were not well reflected in the new text, and others noted that the text was getting too long and needed to be further streamlined. Delegates then considered a further iteration of the text.

In Friday's contact group, AWG-LCA Vice-Chair Mukahanana-Sangarwe reported that the text would be forwarded to Durban as a non-paper, and hoped that consultations would continue intersessionally to further streamline the text.

**Review:** Parties focused discussions on elements of the Facilitator's note from the Bonn session. Many parties highlighted the need to address modalities, followed by a consideration of scope. Some parties called for their submissions to be better reflected in the Facilitator's note while some requested the opportunity to provide further input. A developing country cautioned against overlapping issues addressed in other informal groups, suggesting that the group concentrate on what is feasible and practical in the Review. Parties' views differed on the definition of the scope, with some noting that it was adequately laid out in the Cancun Agreements and others expressing the need for further definition. Parties expressed divergent views on next steps; some parties emphasized that it was "premature" to start discussing draft decision text, while others reiterated the need for draft decision text to be finalized before Durban. On Thursday, 6 October, an updated non-paper was issued on further definition of the Review's scope and development of its modalities.

**Legal Options:** Parties held an initial exchange of views on expectations for Durban, with some supporting further discussions on legal options, and others stating that discussions on legal options and a new legally-binding agreement were premature, and that agreement on substance must come before considering the legal form. Some parties proposed that a mandate should be agreed to in Durban, establishing a process for developing a legally-binding agreement, which would include mitigation commitments and actions by all parties. Some developed countries expressed a willingness to consider a second commitment period under the Kyoto Protocol, provided that a comprehensive legally-binding framework adaptable to evolving circumstances is also considered. Many developing countries highlighted that the Durban outcome should be based on the BAP and the Convention. The US said: parties have different interpretations of the BAP and that the Durban outcome should be based on the Cancun Agreements; the outcome in Durban and "aspirations" must be realistic; and that it would not launch negotiations on an agreement it would not be able to sign on to.

Based on the views expressed by parties, Facilitator María del Socorro Flores then prepared a paper with a "menu of legal options," setting out a range of possible options for a Durban outcome, including: a legally binding instrument (LBI); and COP decisions, with various sub-options. These include: a mandate to conclude an LBI with a clear roadmap; a declaration

regarding the future instrument, leaving the legal form open; continuing discussions to identify the appropriate form of the different elements of the agreed outcome; affirming the importance of an LBI; and continuing to address all the BAP pillars. One party expressed that the political conditions were not right to agree to a mandate to conclude an LBI in Durban, while another said the Cancun mandate was to discuss legal options, not to discuss a mandate to conclude an LBI. The EU supported the option of a mandate to conclude an LBI and proposed six elements for inclusion in such a mandate, including a clear end date for negotiations. AOSIS outlined its proposal for possible elements for an LBI. The Gambia, for the LDCs, said any political statement or declaration that leaves the legal form open was unacceptable. The US said the list of options provided a reasonable reflection of multiple ideas that could be taken forward. The group agreed to continue discussions on this issue in Durban.

Reporting back in the AWG-LCA contact group on Friday, Facilitator Socorro Flores said convening the group had enabled parties to provide greater detail on their positions and better understand each other's views, and to focus on what they could achieve as an outcome in Durban. She reiterated that some believed Durban should achieve a time-bound mandate for a LBI, while others wanted clarity on substance before agreeing on the legal form. She said discussions would continue to see how parties' preferred options could be elaborated and the menu of options would be further discussed.

**Other matters:** During the final AWG-LCA contact group meeting, Facilitator Shimada reported on consultations regarding: Annex I parties undergoing the process of transition to a market economy (EITs); and Annex I parties whose special circumstances have been recognized by the COP. He noted a rich exchange of views on the issues during the consultations. He said EIT parties provided clarification on their proposed draft decision regarding when the transition was expected to be completed, as well as the implications for the Convention. Regarding the draft decision submitted by Turkey, he said participants discussed clarification on the duration of the special circumstances, and that discussions would continue to further clarify the issues intersessionally, as well as in Durban.

All of the Facilitator's notes can be found online at [http://unfccc.int/meetings/ad\\_hoc\\_working\\_groups/lca/items/6189.php](http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/6189.php)

**CLOSING PLENARY:** The AWG-LCA closing plenary convened on Friday afternoon. Executive Secretary Figueres paid tribute to Nobel Laureate Wangari Maathai, describing her as a "champion for the environment, sustainable development, women's rights and democracy." Kenya expressed appreciation for the tribute, observing that it was in recognition of Maathai's efforts to "serve mankind with dedication." Delegates then observed a one-minute silence in memory of Wangari Maathai.

AWG-LCA Chair Reifsnnyder noted that submissions received from parties during the third part of session had been compiled online in documents FCCC/AWGLCA/2011/MISC.6/Add.4, MISC.7/Add.5, and MISC.7/Add.6, as well as FCCC/AWGLCA/2011/CRP.14-23.

South Africa reported on consultations, which she said had been conducted in a spirit of “give-and-take,” highlighting the distinct sense that the Durban outcome must be balanced, fair and credible, and strengthen the multilateral rules-based response to climate change. She called for operationalizing the key mechanisms of the Cancun Agreements, and underscored the need to find a resolution to the issue of the second commitment period under the Kyoto Protocol and the legal nature of a future climate change system.

Argentina, for the G-77/China, acknowledged flexibility shown in enabling progress and expressed hope that this constructive spirit would prevail in Durban. He reaffirmed the commitment of the group to move forward on both tracks, reiterating that the Kyoto Protocol and the Convention must be preserved. He called for fair and equal treatment of all issues in Durban. Highlighting the importance of response measures for all developing countries, he expressed disappointment with the unwillingness of developed countries to make progress, which had resulted in no outcome during the session.

Grenada, for AOSIS, called for Durban to deliver a clear and ambitious mandate to negotiate a legally-binding agreement under the Convention and a second commitment period under the Kyoto Protocol. On the GCF, she expressed concern about the messages sent from this meeting regarding the commitment of developed countries to capitalize the fund. She urged all parties to consider the reality of the impacts of climate change on small island developing states when finalizing their negotiating positions. She reiterated that efforts in Durban should aim to strengthen the multilateral rules-based regime.

El Salvador, for SICA, said the meeting has laid a solid foundation for Durban. The Gambia, for the LDCs, called for progress on accounting rules to ensure comparability of efforts.

Australia, for the Umbrella Group, said the meeting in Panama represented an “important advance” towards Durban on issues such as mitigation, finance, technology and capacity building to enable discussions in Durban. She underscored their remaining commitment to the long-term financial goal, underscoring that “Durban must bring the Cancun Agreements to life.”

The EU welcomed progress made, and reiterated their preference for a single legally-binding framework containing the essential elements identified in the Cancun Agreements as a means to reach a balanced and ambitious outcome. Since believing this would not be achievable in Durban, they supported agreeing on a mandate in Durban to conclude an LBI. In this context, he reiterated the EU’s support for a second commitment period under the Kyoto Protocol and highlighted a robust market-based system as essential in achieving the global mitigation objectives.

Switzerland, for the EIG, welcomed progress in Panama, but underscored outstanding work on the road to Durban. He called for progress on issues, such as MRV, biennial reports, ICA and IAR, market mechanisms, REDD+, loss and damage, technology, mid- and long-term finance, and capacity building.

Ecuador, for ALBA, underscored a tendency by some parties to distract attention away from the principle objectives of the Convention by focusing on technical and procedural issues. She said parties advocating for a legally-binding agreement needed to show that they respect the laws and current rules and adopt a second commitment period under the Kyoto Protocol.

Saudi Arabia, for the Arab Group, said developing countries showed their full commitment towards making progress in Panama through their positive participation in all working groups and across all subjects. He added that some developed countries that attempted to impede negotiations on long-term finance and response measures had not reciprocated this commitment.

On REDD+, Papua New Guinea, for the Coalition of Rainforest Countries, expressed disappointment that negotiations had only resulted in a non-paper with a placeholder for text.

The Democratic Republic of Congo, for the African Group, highlighted that progress in Panama was uneven among the different issues under negotiation. He expressed concern over the slow progress on finance and the AWG-KP track. He called for, *inter alia*: a common accounting framework for Annex I parties that are not parties to the Kyoto Protocol; comparability of efforts among Annex I parties; and progress on finance, REDD+ and loss and damage.

Peru, for Colombia, Chile, Guatemala and Panama, reaffirmed a second commitment period under the Kyoto Protocol as a decisive outcome in Durban and a key milestone for achieving a multilateral comprehensive legally-binding rules-based regime. She encouraged the incoming COP 17 Presidency to continue consultations on the legal options.

Belarus, for Kazakhstan, Ukraine and Russia, for EITs, recognized a step forward in resolving to take into consideration the special situation of the EITs.

Centro Mexicano de Derecho Ambiental, on behalf of the Climate Action Network, stressed that the fate of Kyoto Protocol is in the EU’s hands and called on Japan, Canada and Russia not to destroy the Kyoto Protocol.

Pan-African Climate Justice Alliance, for Climate Justice Now, called for further progress on developing countries’ concerns, including on response measures and long-term finance, as agreed to in Cancun, to ensure the GCF does not become an empty shell.

Tebtebba Foundation, for IPOs, called for the recognition of the rights of indigenous peoples, including the right to self-determination and free prior informed consent.

Chair Reifsnnyder thanked everyone for their hard work and suspended the meeting at 6:18 pm.

## A BRIEF ANALYSIS OF THE MEETING

Panama connects all the cardinal directions, north and south by virtue of its location, and east and west by virtue of the legendary Panama Canal. UNFCCC Executive Secretary Christiana Figueres made this symbolic statement during the opening of the final round of talks in Panama before the crucial climate change conference in Durban convenes in December. Indeed many delegates came to Panama hoping to unite, bridge differences and smooth the trajectory towards Durban. And in

some areas they did. However, the meeting also exacerbated chasms and highlighted the wide gulf that still exists on vital issues such as Review, [of the long-term global goal], finance, and overall expectations for Durban. This analysis explores some of the gaps in ambition, finance, and emission reduction commitments in the context of the Panama meeting and highlights possible implications for Durban.

### **MIND THE AMBITION GAP**

Governments in Copenhagen and Cancun agreed to hold the temperature increase to below 2°C above pre-industrial levels. In 2010 developed and developing countries communicated their emission reduction pledges as called for in the Copenhagen Accord. However, a closer look at those submitted pledges shows that the world is still on course for a global temperature increase far above 2°C. AOSIS has consistently called for bridging the gap between the level of ambition of party pledges and the emission reductions required by science, highlighting that an increase of more than 1.5°C would entail catastrophic consequences for the small islands. With China and some other developing countries representing a significant share of the world's emissions, discussions on the level of ambition require engagement from both developed and developing countries. However, attempts to convene a "common space" for dialogue failed once again in Panama with many developing countries pointing to the different nature of developed countries' mitigation actions and commitments, compared to the voluntary nature of developing countries' NAMAs. Finding a way to ensure that commitments and actions by countries can keep the temperature increase below the 2°C target is thus one of the major challenges facing the negotiations. Enhanced action on mitigation, including a scaling-up of global ambition, will be required. In this regard, many developed and developing countries strongly supported further clarification of mitigation efforts, including by establishing a common international accounting framework, which implies further development of Monitoring, Reporting and Verification (MRV) rules.

In Cancun, governments agreed to review the adequacy of the 2°C target, on the basis of the best available science, including in relation to a 1.5°C increase in temperature. The Review, foreseen to take place between 2013 and 2015, should be carried out "in the light of the ultimate objective of the Convention, and overall progress towards achieving it." This verification performed by the international community on whether it is on track towards meeting its goals is expected to lead to "appropriate action." In Durban, governments need to decide on the scope, the modalities and the process for the Review, but different perspectives remain among parties. Discussions on the Review were difficult in Panama, as parties expressed divergent views on its scope. AOSIS advocated for keeping the focus on the adequacy of the long-term global goal, while some other countries suggested that the Cancun Agreements mandate the consideration of broader overall progress towards achieving the global goal, including on, *inter alia*, means of implementation, financial and technological needs.

MRV of mitigation reduction actions for developed and developing countries is another key element to ensure the effectiveness of mitigation activities. The Cancun Agreements established the basis for strengthening these aspects with different requirements for developed and developing countries. In Panama disputes emerged over "parallels" between elements proposed for IAR and biennial reports for developed countries and ICA and biennial update reports for developing countries. While many developed countries underscored MRV as a core element of the Durban outcome, developing countries continued to highlight the Convention's principle of common but differentiated responsibilities as the flag that should guide these discussions.

### **SHOW ME THE MONEY**

Finance is the common thread that underpins the future viability and credibility of mechanisms, including on adaptation and technology, which were established under the Cancun Agreements and are set to be operationalized in Durban. Developing countries see financial commitments by developed countries as a precondition for undertaking any action on climate change and are now raising questions about the possibility of a "financing gap," expressing fears that the Green Climate Fund will just be an "empty shell." The problem arises from the ambiguity of the financing provision in the Copenhagen Accord. In the Accord, developed countries commit to provide US\$30 billion for the period 2010-2012 and to jointly mobilize US\$100 billion dollars a year by 2020 to address the needs of developing countries. The big question is what happens in the intervening years between 2012 and 2020? The EU, US and other developed countries have consistently played down concerns, maintaining their commitment to mobilize financial resources from a mix of both private and public sources. In the name of transparency, developed countries have also gone to great lengths to showcase fast-start finance activities and an information event on this took place in Panama, which provided an opportunity to present and discuss key lessons learned in the implementation of Fast-Start Finance.

However, against the backdrop of the prevailing debt crisis and a gloomy, global economic outlook these assurances do not sit comfortably with many. The G-77 fought hard in Panama to keep the focus on long-term financing, which developed countries were initially reluctant to address, saying that it had been adequately considered in the report of the Secretary-General's High-level Advisory Group on Climate Change Financing and elsewhere. At one point it seemed as if the finance discussions might break down entirely until the EU extended an olive branch by tabling a submission on long-term finance. This was followed by a joint submission from Japan, Canada and Australia. These submissions reaffirm the commitment of these countries to long-term financing. The reality is that without explicit agreement on finance that satisfies developing countries, it is going to be difficult to agree on anything else.

**TO MANDATE OR NOT**

As everybody knows, the Kyoto Protocol's first commitment period is set to expire in 2012. Durban is supposed to be the last chance to agree on a second commitment period in order to avoid a gap, which would ensure that the package of rules developed under the Kyoto Protocol, including the implementation of flexibility mechanisms, will continue to operate seamlessly. However, agreement on a second commitment period appears to be more elusive than ever. Japan, Canada and the Russian Federation will not be on board for a second commitment period under the Kyoto Protocol. The EU's position is that it wants a "balanced deal that is going to put us on the road to a new global deal on climate action." The EU has said that it will agree to a second commitment period under the Kyoto Protocol, as long as delegates in Durban agree to a mandate for a path forward for a legally-binding instrument under the Convention, a position it sees as a "major concession" on its part since Bali.

However, in the closing US press conference, the US reiterated its position that they did not believe the conditions were ripe for such a mandate, and that "we would be better served" by focusing on implementing existing agreements and scaling up actions. The US wants commitments from all major economies that are not conditional on funding. "I do not see a meeting of the minds on these fundamental issues," said Jonathan Pershing, the lead negotiator for the US.

At the same time, G-77/China members are also split on some of these fundamental issues. While all developing countries want to keep the Kyoto Protocol alive, they diverge regarding their views on a new agreement under the Convention. For example, AOSIS is very clear that it wants a legally-binding instrument and has presented a detailed proposal on possible elements for Protocol or other legally-binding agreement under the Convention. India and China, on the other hand, are not supportive of a mandate to negotiate a new agreement under the Convention.

If there is no second commitment period under the Kyoto Protocol this raises serious legal and institutional questions concerning the continuity of the mechanisms under the Protocol, such as the CDM. There are those who maintain that the Kyoto mechanisms can continue because they have a double objective, namely to assist Annex I parties in meeting their emission reduction commitments as well as to assist developing countries in attaining sustainable development. However, others say that the *raison d'être* is to assist Annex I parties to meet their commitments and if there are no commitments under a second commitment period then the mechanisms cannot continue. In other words, there is no either/or: both conditions have to be satisfied.

No one can predict the future or the outcome in Durban. Many elements that are intrinsically interwoven need to be addressed, such as the fate of a second commitment period under the Kyoto Protocol. Furthermore, clarity on what the landscape looks like for a future global climate agreement is one of the most difficult political issues that Ministers in Durban will have to grapple

with. However, as many have said, what Durban really needs to do is bridge the political differences so that they reflect reality on the ground and what is really needed to address climate change.

**UPCOMING MEETINGS****South Pacific Regional Writeshop to Support Developing Country Publications on Disaster Risk Reduction and Adaptation to Climate Change:**

The Writeshop will be hosted by the Secretariat of the Pacific Regional Environment Programme (SPREP) and the University of the South Pacific (USP), with support of the United Nations Institute for Training and Research. The Writeshop will address topics relevant to climate change adaptation and disaster risk reduction including policies, institutions and governance issues to adaptation and disaster risk reduction, and experiences with specific extreme climate events in the region. **dates:** 10-14 October 2011 **location:** Suva, Fiji **contact:** Taito Nakalevu, Project Manager **phone:** +685-21929 **fax:** +685-20231 **e-mail:** taiton@sprep.org **www:** [http://www.sprep.org/climate\\_change/PACC/pacc\\_news\\_detail.asp?id=985](http://www.sprep.org/climate_change/PACC/pacc_news_detail.asp?id=985)

**Climate Change: How to Secure Our Future Well Being: A Health and Security Perspective:**

This high-level briefing aims to identify solutions around climate change and the implications for health and security. Senior military and medical professionals will deliver briefings on health impacts and security implications of climate change. Engagement with the business community is encouraged. The event is co-sponsored by several international groups including Chatham House, the Climate and Health Council, the European Climate Foundation, the Society of Biology, London School of Hygiene and Tropical Medicine, and the Health and Environment Alliance. **date:** 17 October 2011 **location:** London, UK **contact:** Geetha Balasubramaniam **phone:** +44-20-7383-6396 **email:** [climatechange@bmj.com](mailto:climatechange@bmj.com) **www:** <http://climatechange.bmj.com>

**WRCP – Climate Research in Service to Society:**

Co-sponsored by WMO, the World Climate Research Programme (WCRP) Open Science Conference on "Climate Research in Service to Society" will identify key scientific challenges and opportunities to advance understanding and prediction of variability and change of the Earth's climate system on all space and time scales. **dates:** 24-28 October 2011 **location:** Denver, Colorado, USA **contact:** WCRP Joint Planning Staff **phone:** +41-22-730-8111 **fax:** +41-22-730-8036 **email:** [wcrp@wmo.int](mailto:wcrp@wmo.int) **www:** <http://conference2011.wcrp-climate.org/>

**Caribbean Regional Writeshop to Support Developing Country Publications on Adaptation to Climate Change and Disaster Risk Reduction:**

The Stockholm Environment Institute (SEI), the UN International Strategy for Disaster Reduction (ISDR) and the University of the West Indies are calling for applications from young scholars, practitioners, policymakers and others from the Caribbean who are working in the field of climate change and disaster risk reduction to participate in a Writeshop. Through the Writeshop, participants are expected to produce a peer-review, publishable quality article and they will gain enhanced awareness of the process of writing papers for academic journals. These skills will allow

their work to be eligible for incorporation into publications of the Intergovernmental Panel on Climate Change (IPCC) and other high-level scientific bodies and consequently inform policy making on key issues of risk and climate. **dates:** 24-28 October 2011 **location:** Bridgetown, Barbados **phone:** +1-530-753-3035 **email:** writeshop@sei-us.org **www:** <http://www.sei-international.org/projects?prid=1750>

**Joint IPCC WGI and WGII Session:** This meeting will be held back to back with IPCC 34. It is scheduled to approve the Special Report of the Intergovernmental Panel on Climate Change (IPCC) on “Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation” Summary for Policymakers and accept the underlying document. **dates:** 14-17 November 2011 **location:** Kampala, Uganda **contact:** IPCC Secretariat **phone:** +41-22-730-8208 **fax:** +41-22-730-8025 **email:** IPCC-Sec@wmo.int **www:** <http://www.ipcc.ch/>

**IPCC 34th Session:** The 34th session of the IPCC will consider the “Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation” report, scheduled to be approved by the preceding joint sessions of IPCC Working Groups I and II. The session will also continue consideration of the IPCC review among other matters. **dates:** 18-19 November 2011 **location:** Kampala, Uganda **contact:** IPCC Secretariat **phone:** +41-22-730-8208 **fax:** +41-22-730-8025 **email:** IPCC-Sec@wmo.int **www:** <http://www.ipcc.ch/>

**9th Meeting of the Vienna Convention COP and 23rd Montreal Protocol MOP:** The 23rd session of the Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP 23) and ninth meeting of the Conference of the Parties to the Vienna Convention for the Protection of the Ozone Layer (COP 9) are scheduled to take place in November. **dates:** 21-25 November 2011 **location:** Bali, Indonesia **contact:** Ozone Secretariat **phone:** +254-20-762-3851 **fax:** +254-20-762-4691 **email:** ozoneinfo@unep.org **www:** <http://ozone.unep.org>

**11th World Congress of the Organization of World Heritage Cities: World Heritage Cities and Climate Change:** The theme of the 11th World Congress of the Organization of World Heritage Cities is “World Heritage Cities and Climate Change.” The Congress will include sessions on adaptation and mitigation measures to be taken by historic cities, a poster session featuring case studies related to the theme of the Congress, and activities for a select group of journalists, who will contribute their views about the relations between heritage and climate change. **dates:** 22-25 November 2011 **location:** Sintra, Portugal **contact:** Kerstin Manz, UNESCO **phone:** +33-(0)1-4568-1202 **email:** k.manz@unesco.org **www:** <http://whc.unesco.org/en/events/739>

**UNFCCC COP 17 and COP/MOP 7:** The 17th session of the UNFCCC Conference of the Parties (COP 17) and the 7th session of the Meeting of the Parties (MOP 7) to the Kyoto Protocol will take place in Durban, South Africa. The 35th session of the Subsidiary Body for Implementation (SBI), the 35th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA), the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto

Protocol (AWG-KP), and the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) will also meet. **dates:** 28 November - 9 December 2011 **location:** Durban, South Africa **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** <http://unfccc.int/> and <http://www.cop17durban.com>

## GLOSSARY

AAUs	Assigned Amount Units
ALBA	Bolivarian States for the Peoples of Our America
AOSIS	Alliance of Small Island States
AWG-KP	<i>Ad Hoc</i> Working Group on Further Commitments for Annex I Parties Under the Kyoto Protocol
AWG-LCA	<i>Ad Hoc</i> Working Group on Long-term Cooperative Action under the Convention
BAP	Bali Action Plan
CDM	Clean Development Mechanism
COP	Conference of the Parties
COP/MOP	Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol
CTCN	Climate Technology Centre and Network
EIT	Economy in transition
EIG	Environmental Integrity Group
ENGOS	Environmental NGOs
EU	European Union
GCF	Green Climate Fund
HCFC	Hydrochlorofluorocarbons
IAR	International Assessment and Review
ICA	International Consultation and Analysis
IPO	Indigenous Peoples Organizations
IPCC	Intergovernmental Panel on Climate Change
LBI	Legally binding instrument
LDCs	Least developed countries
LULUCF	Land use, land-use change and forestry
MRV	Monitoring, review and verification
NAMAs	Nationally appropriate mitigation actions
NAPA	National Adaptation Programme of Action
QELROs	Quantified emission limitation and reduction objectives
REDD+	Reducing emissions from deforestation in developing countries, including conservation
SBI	UNFCCC Subsidiary Body on Implementation
SBSTA	UNFCCC Subsidiary Body on Scientific and Technical Advice
SICA	Central American Integration System
TEC	Technology Executive Committee
UNFCCC	United Nations Framework Convention on Climate Change



## International Institute for Sustainable Development Reporting Services (IISD RS) Knowledge Management Resources

IISD RS, publisher of the *Earth Negotiations Bulletin*, also maintains online knowledgebases that are updated daily with information regarding meetings, publications and other activities related to international sustainable development policy and its implementation.

Each knowledgebase project consists of several integrated resources, to help the sustainable development policy and practice communities assess trends and activities at the international level. These resources are:

- Daily news reports researched and written by our own experts and organized in a **freely accessible, searchable on-line knowledgebase**;
- A **comprehensive calendar of upcoming events** related to international sustainable development policy, which can be downloaded to your own online calendar;
- And a **community listserve**, which exclusively delivers email updates of the most recent additions to our knowledgebases, as well as announcements by listserve members regarding their organizations' sustainable development activities.

Each knowledgebase focuses on a specific environmental challenge or region, as noted below:



**Sustainable Development Policy & Practice**  
<http://uncsd.iisd.org/>



**Climate Change Policy & Practice**  
<http://climate-l.iisd.org/>



**SIDS Policy & Practice**  
<http://sids-l.iisd.org/>



**Biodiversity Policy & Practice**  
<http://biodiversity-l.iisd.org/>



**Latin America & Caribbean Regional Coverage**  
<http://larc.iisd.org/>



**African Regional Coverage**  
<http://africasd.iisd.org/>