

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/>