

## DURBAN HIGHLIGHTS: TUESDAY, 29 NOVEMBER 2011

Delegates met for the opening sessions of the AWG-KP and AWG-LCA, and to resume their work under the SBI. Participants heard opening statements from negotiating groups and gave preliminary consideration to the various agenda items under these bodies. In addition, contact groups and informal consultations began on a range of issues across the various bodies.

### AWG-LCA

AWG-LCA Chair Daniel Reifsnyder (US) opened the resumed AWG-LCA 14, recalling the goal of forwarding a comprehensive, balanced and robust outcome to the COP.

**OPENING STATEMENTS:** Argentina, for the G-77/CHINA, said Durban must deliver an outcome that ensures the fulfillment of the Convention's ultimate objective. On the Adaptation Committee, she said it should have a majority of developing country members. She urged a decision on, *inter alia*, developed country public funds for long-term finance, and defining the governance structure of the Technology Mechanism.

The EU called for a process to deliver a new global, comprehensive and legally-binding framework, to be completed by 2015. He reaffirmed his commitment to jointly mobilize US\$100 billion annually by 2020.

The Republic of Korea, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), expressed a commitment to a strengthened, comprehensive and ambitious international climate change regime.

Papua New Guinea, for the COALITION FOR RAINFOREST NATIONS, called for the Green Climate Fund to include a dedicated window for REDD+ and a new market mechanism to be established and shared by both the AWG-LCA and the AWG-KP.

Grenada, for AOSIS, called for the AWG-LCA to deliver on a mandate to negotiate a parallel Protocol, to be completed by December 2012, that provides for comparable mitigation commitments for developed countries that do not have mitigation commitments under the Kyoto Protocol. She called for an agreement to pursue options for all developed countries to immediately increase their level of mitigation ambition, and initiation of the 2015 Review.

The Gambia, for LDCs, called for operationalizing a more efficient and equitable international financial mechanism.

Nicaragua, for ALBA, stressed that the Green Climate Fund must not become an "empty basket" of false promises and called on developed countries to contribute 1.5% of their GDP.

AUSTRALIA reported on its clean energy future package, which she said will drive "the biggest expansion in the clean energy sector in Australia's history."

**ORGANIZATION OF WORK:** Parties agreed to resume substantive work under the previously established AWG-LCA contact group. Chair Reifsnyder said a limited number of meetings would be convened to provide an overview of work being conducted in the informal groups on: mitigation and its sub-groups; adaptation; finance; technology transfer; review; legal options; and other matters. He indicated that an "amalgamation document" bringing together all elements of the work conducted under the AWG-LCA would be issued on Saturday. He emphasized that the document would be incomplete and only reflect work in progress.

**ADDITIONAL MATTERS:** SAUDI ARABIA expressed concern that some countries were "blocking progress on certain issues" and requested text on response measures on Wednesday that reflects progress across all areas of the negotiations. Reifsnyder responded that conference room papers are being developed in the informal groups and will serve as the continued basis for discussion.

### AWG-KP

AWG-KP Chair Adrian Macey (New Zealand) proposed that the AWG-KP continue to work in a single contact group on Annex I parties' further commitments and that spin-off groups on numbers (Chapter 1) and LULUCF (Chapter 2) convene.

**OPENING STATEMENTS:** Argentina, for the G-77/CHINA, stressed the need for developed countries to put forward ambitious quantified emission reduction commitments under the AWG-KP and lamented that current pledges are insufficient.

Australia, for the UMBRELLA GROUP, said pledges and actions from Copenhagen and Cancun should set the groundwork for future efforts.

Switzerland, for the EIG, urged agreement on LULUCF accounting rules, flexible mechanisms, length of commitment period after 2012, transformation of pledges into QELROs and the basket of gases.

Contingent on an agreement to develop a new legally-binding framework engaging all parties, the EU said he is “open to” a second commitment period, which should end by 2020.

The AFRICAN GROUP, G-77/CHINA, AOSIS and LDCs urged a second commitment period. The AFRICAN GROUP added that carbon markets would collapse without an agreement, and said African soil should not become the Protocol’s “graveyard.”

AOSIS said a credible outcome in Durban must consist of: a second commitment period of no longer than five years; ratifiable amendments to the Protocol and its Annex B; binding commitments in the form of QELROs; closing loopholes in LULUCF accounting rules; and increased mitigation ambitions by Annex I Parties.

The Gambia, for LDCs, supported by AOSIS, said those aiming to leave the Kyoto Protocol are not doing so because they want to do more, but because they want to do less. She urged the elimination of loopholes such as carryover of surplus AAUs and in accounting rules for LULUCF.

SPAIN reported on an informal meeting jointly organized with Mexico and South Africa to discuss the legal form of the AWG-LCA outcome. She highlighted that progress on the legal form is a key part of a balanced package in Durban for a number of Annex I parties, building on the Bali Action Plan, the UNFCCC, the Kyoto Protocol and the Cancun Agreements.

BINGOs called for clear and positive signals in Durban on the climate change structure to encourage the private sector to keep investing in clean development. ENGOs called for closing loopholes, such as in LULUCF rules.

INDIGENOUS PEOPLES supported strengthening the Kyoto Protocol provisions and developing alternatives to market mechanisms for adaptation and mitigation funding.

## SBI

**OPENING STATEMENTS:** Many speakers, including the EU, UMBRELLA GROUP and G-77/CHINA, urged progress on national adaptation plans and loss and damage. The EU highlighted capacity building and technology, and expressed concern that an agenda item on non-Annex I communications remained in abeyance.

The G-77/CHINA called for improved data and information from Annex II parties, and full funding for non-Annex I communications. She expressed concerns about conditions attached to GEF funding and said longstanding concerns about accessing GEF funds have never been adequately addressed. The Gambia, for LDCs, expressed “dismay” that the GEF is dictating to countries which operating entity they should use. WOMEN stressed the importance of gender mainstreaming in national adaptation plans.

Parties then agreed to the organization of work (FCCC/SBI/2011/8) and took up their various substantive agenda items.

**CAPACITY BUILDING (CONVENTION):** Chair Owen-Jones noted that the review of the framework for capacity building for developing countries must be completed in Durban.

**OTHER AGENDA ITEMS:** The following agenda items were also briefly considered and forwarded for further consideration to contact groups or informal groups:

- loss and damage;
- financial mechanism;

- national communications and greenhouse gas inventory data from Annex I parties;
- non-Annex I parties’ national communications;
- administrative, financial and institutional matters;
- Convention Articles 4.8 and 4.9 (adverse effects and LDCs);
- national adaptation plans;
- technology transfer;
- appeals against CDM Executive Board decisions;
- capacity building under the Convention;
- capacity building under the Protocol;
- international transaction log;
- Protocol amendment with respect to compliance;
- response measures; and
- Protocol Article 3.14 (adverse effects).

## CONTACT GROUPS AND INFORMAL CONSULTATIONS

### ANNEX I FURTHER COMMITMENTS (AWG-KP):

AWG-KP Chair Adrian Macey opened the contact group and called for countries to explore middle ground and compromise solutions. He said that while it was expected the group could finish consideration of the majority of issues, those issues that remained unsolved could be forwarded to the presidency for resolution, notably those requiring political decisions. Saint Lucia, for AOSIS, said legal issues should be also addressed in Durban. Tuvalu, for LDCs, called for an amendment to the Kyoto Protocol that would be ratifiable and provisionally enter into force to avoid a gap.

On the way forward, SWITZERLAND suggested the Chair provide clarity on the available options and underscored the need for further discussions on “technicalities” on issues such as LULUCF and mechanisms. NEW ZEALAND supported: a smooth transition to a broader agreement; defining a framework to ensure continuity after 2012; using the substance of the Chair’s revised text as a basis; and identifying options, including what legal form can be immediately operative.

AUSTRALIA stated a second commitment period should be a transitional phase towards a broader, universal agreement. She indicated her flexibility on the length of a second commitment period and on the carryover of surplus AAUs. She said agreements on technical issues such as LULUCF and the improvement of flexibility mechanisms would be a good outcome from Durban.

The EU said any agreement would be piecemeal because the number of parties willing to work on a “meaningful Kyoto Protocol” has declined. He indicated, however, that progress might be made on carryover of surplus AAUs, and noted that avoiding a gap between commitment periods is necessary to give certainty to markets. NORWAY said the Kyoto Protocol alone is not enough to achieve a relevant reduction of global emissions.

Algeria, for the AFRICAN GROUP, supported by ALBA, suggested a focus on a possible amendment to Annex B. He also stressed that the continuation of the CDM could not be possible without agreement on a second commitment period. TUVALU expressed concern that some parties are asking the international community to lock into long-term, low commitments that are legally ambiguous.

**LULUCF (AWG-KP):** Delegates discussed the way forward, with co-facilitator Marcelo Rocha (Brazil) identifying key areas for clarifying options, underscoring the group should provide technical options for a political decision. One party suggested

reflecting on the review of forest management reference levels. A group of countries presented a revised proposal on the baseline approach to forest management accounting. Parties then addressed "disturbances," with some expressing concerns over the definition and the importance of distinguishing anthropogenic from natural disturbances, and others stressing the importance of operationalizing the concept.

**ANNEX I EMISSION REDUCTIONS (AWG-KP):** In the spin-off group on numbers, co-facilitator Leon Charles (Grenada) said the week's work should focus on, *inter alia*: the need to consider the transformation of pledges into QELROs; carryover of surplus AAUs; and whether to discuss option B (consequential amendments). Initial discussions focused primarily on QELROs, with associated text on assumptions. Delegates established five issues needing resolution before the QELRO discussion can be finalized: measurement rules; baselines, or "starting points;" whether QELROs should consist of a single number or a range; how to ensure comparability; and the length of a second commitment period.

**TECHNOLOGY TRANSFER (AWG-LCA):** Facilitator Jukka Uosukainen (Finland) recalled that parties are working under the Cancun decision contained in Paragraph 128 of 1/CP.16. Parties focused on: possible gaps on the overall call for proposals and selection process to host the CTCN, including financial arrangements and eligibility criteria; and possible gaps on evaluation criteria and information requirements, contained in the annex of the draft decision text. Parties agreed to submit textual proposals to clarify ambiguities and to focus next discussions on governance issues.

**REVIEW (AWG-LCA):** Facilitator Margaret Mukahanana-Sangarwe (Zimbabwe) proposed several options for streamlining the non-paper text from Panama. Given the difficulty with agreeing on scope at this time, she suggested it might be better to begin discussion with modalities. Some parties preferred starting with consideration of scope. Views were also exchanged on how the paper should be structured and whether it should be streamlined by the facilitator or by parties.

**CAPACITY BUILDING (AWG-LCA):** During informal consultations facilitated by Maas Goote (Netherlands), delegates began to discuss the text forwarded from Panama, focusing mainly on paragraphs related to: enhancing monitoring and review of the effectiveness of capacity building; and modalities regarding institutional arrangements for capacity building. CLIMATE ACTION NETWORK suggested establishing a capacity building coordinating body. YOUTH called for developing a clear monitoring matrix and indicators. AUSTRALIA cautioned against creating stand-alone capacity-building institutions. Parties discussed, *inter alia*, alternate options under the section on enhancing monitoring and review, and informal informals will discuss ways to merge them.

**LOSS AND DAMAGE (SBI):** SBI Chair Owen-Jones expressed hopes for a strong outcome, inviting an initial exchange of views. Several parties regarded this as an important issue. The Secretariat then distributed a draft decision covering various action items for 2012 and requesting the SBI to coordinate the loss and damage work programme and identify ways to address the issue by COP 18.

**NATIONAL ADAPTATION PLANS (SBI):** During informal consultations facilitated by SBI Chair Owen-Jones, delegates exchanged initial views on what they hoped to achieve in Durban. Stressing that the national adaptation plans should

not be prescriptive, Bolivia, for the G-77/CHINA, said they should recognize that adaptation occurs at the local level, and be flexible and country-driven. Bangladesh, for the LDCs, said the national adaptation plans process was distinct and separate from the NAPA process. Vanuatu, for AOSIS, supported a regional-level mechanism to support national adaptation plans. CANADA urged agreeing on guidelines that can immediately be employed by all parties. SUDAN supported comprehensive vulnerability assessments. Many parties expressed the need for an interim arrangement. A draft text was distributed and will be discussed on Wednesday.

**NAIROBI WORK PROGRAMME (SBSTA):** During informal consultations, co-facilitator Kishan Kumarsingh (Trinidad and Tobago) reiterated the aim of discussing possible areas for further work under the NWP and stressed that adaptation activities are not mutually exclusive. Argentina, for the G-77/CHINA, stressed the need to adopt modalities and procedures for the Adaptation Committee. BOLIVIA supported future work on vulnerable stakeholder groups, including women, and highlighted indigenous knowledge and key sectors, such as water.

The US urged taking full advantage of the knowledge and expertise of partners, and expanding into areas, such as agriculture, water and ecosystem-based approaches. The Cook Islands, for AOSIS, stressed coherence of action on adaptation under the Convention. AUSTRALIA stressed links between the NWP and the Adaptation Committee. Delegates will meet informally to discuss a document on potential elements of an agreement in Durban.

### IN THE CORRIDORS

Delegates settled into an intensive schedule for the week as they completed their initial consideration in plenary of the agendas of the COP, COP/MOP, AWGs and SBs, and started moving their discussions into numerous contact groups and informal consultations. Observers highlighted a heavy workload that includes both various "technical" matters (including agenda items under the SBs, and operationalizing the Cancun outcomes), as well as "political" issues relating to the future of the Kyoto Protocol and a possible roadmap towards a future agreement.

Meanwhile, delegates and observers alike were commenting on the significance of China speaking on behalf of BASIC countries on Monday. While negotiators for the G-77/China insist the original voting block will remain strong and intact, some participants wondered how a more coordinated position of BASIC countries might influence these negotiations.

There was speculation over what will happen when the Green Climate Fund text from the Transitional Committee is formally introduced in Wednesday's COP plenary. There were rumors that it would be reopened, which raised concerns that this could represent a setback. Others insisted a full review would be possible in plenary. One negotiator suggested that South Africa is working on other compromise options but underscored that parties still had work to do.

In other news, some participants seemed surprised that the Asian Group had worked out an arrangement where Qatar will host COP 18 in late 2012 and South Korea will host the ministerial pre-COP session.



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