

## DURBAN HIGHLIGHTS: WEDNESDAY, 30 NOVEMBER 2011

Delegates met in plenary sessions of the COP and COP/MOP, as well as in contact groups and informal consultations on a wide range of agenda items under the AWG-LCA, AWG-KP, SBI and SBSTA.

### COP

**TECHNOLOGY EXECUTIVE COMMITTEE (TEC):** TEC Chair Gabriel Blanco (Argentina) reported on a meeting held in Bonn in September 2011, in which members had elaborated on modalities and procedures. India, for the G-77/CHINA, suggested that the term of the TEC be extended by a year. He urged adoption of modalities and procedure as soon as possible. TANZANIA proposed that the TEC explore synergies with other MEAs, including the Stockholm and Basel Conventions' regional centers. Parties will take up the issue in a contact group.

**DATES AND VENUES OF FUTURE SESSIONS:** QATAR, which will host COP 18, said his government will spare no efforts to ensure its success. The REPUBLIC OF KOREA said that, following lengthy discussions, his country would host the pre-COP ministerial meeting.

**PROPOSALS FOR AMENDMENTS TO THE CONVENTION UNDER ARTICLES 15 & 16:** MEXICO, supported by COLOMBIA, introduced a proposal to allow a "last resort" vote in cases when every effort to reach consensus has failed on issues that carry broad support. He explained that this was in order to avoid "paralysis." BOLIVIA, VENEZUELA and SAUDI ARABIA said they could only support a consensus approach. Informal consultations will convene.

Regarding a proposal by the Russian Federation to amend Convention Article 4 (Commitments), paragraph 2(f), the RUSSIAN FEDERATION explained the need for periodic review of the list of countries in Annexes I and II. BELARUS, UKRAINE and KAZAKHSTAN supported this proposal, while SAUDI ARABIA opposed it. Informal consultations will be held.

Informal consultations will also be held on a joint proposal from Cyprus and the EU to amend Annex I to the Convention to include Cyprus.

**PROPOSALS UNDER CONVENTION ARTICLE 17 (PROTOCOLS):** Parties noted proposals by Japan, Tuvalu, US, Australia, Costa Rica and Grenada. Parties agreed to leave the issue open pending an outcome from the AWG-LCA legal options group.

**GREEN CLIMATE FUND: REPORT OF THE TRANSITIONAL COMMITTEE:** Transitional Committee Co-Chair Trevor Manuel (South Africa) presented the Committee's report, which includes the GCF's draft governing instrument. He explained that the report aims to present a middle ground as the basis for launching the GCF in Durban. The EIG and AFRICAN GROUP

welcomed the report. The EU observed that the draft governing instrument is a compromise but agreement should be reached on it as part of a balanced package, and further discussions would be counterproductive. Zambia, for LDCs, said the draft governing instrument provides sufficient basis for a financial institutional arrangement. The Philippines, for the G-77/CHINA, said the GCF is a crucial element of the solution.

Barbados, for AOSIS, stressed that operationalizing the GCF cannot be delayed in spite of its shortcomings, which include lack of a dedicated SIDS and LDC funding window, and the lack of provision for a replenishment process. He said the GCF should not be an empty shell.

Venezuela, for ALBA, expressed "alarm over certain elements of the report, which would hinder democratic access to resources." She stressed that the GCF must possess international legal personality, work under the guidance of the COP and have no conflict of interest between the fiduciary and executive trustee functions.

EGYPT said the draft governing instrument lacks crucial elements, including international legal personality, accountability to the COP and country ownership of projects.

Acknowledging concerns with the draft governing instrument, JAPAN and COLOMBIA (on behalf of Costa Rica, Chile, Honduras, Dominican Republic, Peru and Panama), opposed reopening the document and requested the COP Presidency to conduct consultations. AUSTRALIA expressed willingness to approve the document "as is."

The COP Presidency will undertake informal consultations based on the draft recommendations in the Transitional Committee report.

### COP/MOP

**CDM:** CDM Executive Board Chair Martin Hession (UK) reported on efforts to improve the Board's work, including strengthening additionality guidance and standardized baselines, as well as guidelines on "suppressed demand." He urged a clear signal on the CDM's future.

The WORLD BANK proposed continuing standardization in terms of baselines, monitoring and verification. AUSTRALIA supported including "materiality" in the CDM. NORWAY supported the CDM and said it must be in a position to scale up its work.

VENEZUELA, supported by BRAZIL, BOLIVIA, CUBA, NICARAGUA, PERU, GHANA and others, said the CDM's future was contingent on a second commitment period, and urged ambitious QELROs from Annex I parties.

The AFRICAN GROUP and PARAGUAY urged steps to bring about a better regional distribution of projects. YOUTH said some CDM projects have contributed towards human rights abuses, including enforced evictions. The item was referred to a contact group.

**JOINT IMPLEMENTATION:** Muhammed Quamrul Chowdhury (Bangladesh), Chair of the Joint Implementation Supervisory Committee (JISC), noted substantial progress since Cancun. He said the JISC recommended: replacing the current two-track approach with a single, unified verification process; establishing a new governing body to oversee this verification process; and providing clarity on how JI should continue after 2012.

The RUSSIAN FEDERATION said market mechanisms must be considered comprehensively without singling out any particular mechanism. The GAMBIA, for LDCs, said the share of proceeds should be expanded to include JI and emissions trading to provide additional financing for the Adaptation Fund.

**ADAPTATION FUND BOARD:** Board Chair Ana Fornells de Frutos (Spain), said institutional progress has been overshadowed by falling prices of CERs. Bahamas, for the G-77/CHINA, stressed the comparatively small amount of money made available for adaptation. BANGLADESH, NAURU, the SUDAN and ZAMBIA said the accreditation process should be simplified to facilitate access. A contact group was established.

**ADAPTATION FUND:** After a brief discussion, a contact group was established on this item.

**COMPLIANCE:** Informal consultations will be held.

**PROPOSAL FROM KAZAKHSTAN:** This item was taken up briefly in plenary and will be the subject of informal consultations.

**PROPOSALS FOR AMENDMENTS TO THE KYOTO PROTOCOL:** INDIA said it will not agree to changes to Annex B unless a second commitment period is agreed. BELARUS, the EU and UKRAINE favored simplifying amendment procedures. Parties agreed to keep this item open, pending the results of the AWG-KP.

#### CONTACT GROUPS AND INFORMAL CONSULTATIONS

**SHARED VISION (AWG-LCA):** Co-facilitator Margaret Mukahanana-Sangarwe (Zimbabwe) asked for input on translating her non-paper into a text before Friday to give to the AWG-LCA Chair.

Many delegates favored the co-facilitator bringing her existing text into draft decision language, while some preferred a country-driven process in “informal informals.” Parties also shared their views on whether the text should stress a peak emissions year and a global goal or if it should be more holistic. Parties agreed to convene an informal session to work on the text in the AWG-LCA amalgamation document.

**DEVELOPED COUNTRY MITIGATION (AWG-LCA):** During informal consultations, many parties expressed willingness to begin drafting on the basis of the non-papers from Panama.

The EU suggested that the decision focus on: recognizing and establishing a process to narrow the ambition gap; an international, common rules-based accounting system; and a process to understand the assumptions underlying current pledges.

On the level of ambition, Switzerland, for the EIG, suggested: a process to increase ambition; technical workshops; and further consideration at COP 18. The US said the Cancun Agreements do not establish a process for narrowing the ambition gap and this should be considered in the 2013-2015 review. NEW ZEALAND, supported by AUSTRALIA and NORWAY, proposed a template as a flexible tool to capture information on pledges, including on sectors, metrics, gases and timeframes covered.

On accounting, AUSTRALIA supported a common accounting framework for all parties. The EU said common accounting rules are key to increasing ambition and ensuring transparency. The US said the development of such rules was not mandated by the Cancun Agreements and suggested they be based on IPCC methodologies.

On IAR, BOLIVIA called for a compliance system and a set of penalties. Mali, for the AFRICAN GROUP, suggested a robust compliance mechanism. CHINA said discussions on developed and developing countries’ mitigation efforts should remain separate.

**DEVELOPING COUNTRY MITIGATION (AWG-LCA):** During informal consultations, many parties expressed support for the non-papers as a basis for further discussions. BOLIVIA

expressed concern that requirements being imposed on developed and developing countries are too similar. The EU reiterated that progress on these issues is a key part of the Durban package and suggested that text for a decision focus on the same areas identified for developed countries’ mitigation issues. Switzerland, for the EIG, highlighted three key issues: ambition and the need for information on the ambition gap; clarification of ambition; and common accounting rules.

On biennial update reports, the US said the Cancun Agreements set their frequency at every two years and the information should be consistent with national communications. INDIA said biennial update reports should be: less onerous than biennial reports for developed countries; updates of the latest national communications; and contingent on financing from Annex I parties.

NEW ZEALAND, supported by AUSTRALIA and CANADA, proposed including a template for understanding underlying assumptions for NAMAs. On accounting, PAKISTAN said a common reporting format is not applicable and expressed preference for a graduated model.

On the registry, AUSTRALIA supported a simple and accessible web platform, but stressed that it should not replace the need to clarify the pledges. SOUTH AFRICA said the registry could help raise developing countries’ ambition.

On ICA, the US highlighted that, according to the Cancun agreements, a technical analysis should be followed by consultations and suggested these be held in the subsidiary bodies for the sake of transparency and in a non-intrusive and non-punitive manner. INDIA stressed that ICA should be less onerous than IAR. INDONESIA and BRAZIL said ICA should not be burdensome.

**ADAPTATION (AWG-LCA):** Facilitator Kishan Kumarsingh (Trinidad and Tobago) asked delegates to consider the budget implications in their work on the Adaptation Committee. The G-77/CHINA said the Adaptation Committee should report directly to the COP, and highlighted linkages with other institutional arrangements. Informal informals will convene to streamline text and narrow options.

**MARKET APPROACHES (AWG-LCA):** Delegates discussed options on what role the UNFCCC should play in guiding development of various approaches. AUSTRALIA supported working together on new market mechanisms and PAPUA NEW GUINEA said market mechanisms need to have strong environmental integrity. Suggesting that “the days of a purely top-down approach are gone,” NEW ZEALAND urged reassessing the role of the UNFCCC. The EU supported establishing a new market-based mechanism in Durban. A drafting group will meet on Thursday.

#### IN THE CORRIDORS

“Bridging gaps” seemed to be one of the main themes on Wednesday. Many observers and delegates from AOSIS fretted that the “gigaton gap” identified in a UNEP report would not be addressed without increasing the level of ambition from Annex I parties before 2020. While one participant supported advancing the agreements from Cancun, she suggested that “we need to do more than this,” particularly for countries facing climate impacts now.

Another “gap” discussed by delegates was the one between the Kyoto Protocol and any future agreement. As discussions on market mechanisms kicked off, some participants seemed concerned that uncertainty will cause market instability and anxiety.

Meanwhile, many participants speculated about how a package deal might start to coalesce. “Ministers will be here next week and we really need to start connecting the dots,” said one harried-looking delegate. To help stimulate discussions on cross-cutting issues, an informal consultation (or “indaba”) was hosted over lunchtime by the COP/MOP Presidency. The meeting was welcomed by some as helping create space to “bounce ideas around” and tackle tough issues.