



DOHA HIGHLIGHTS: WEDNESDAY, 28 NOVEMBER 2012

On Wednesday, delegates convened in plenary meetings of the CMP, COP and SBI. Contact groups and informal consultations of the Convention and Protocol bodies also took place throughout the day.

CMP

ADAPTATION FUND: Luis Santos (Uruguay), Chair, Adaptation Fund Board, presented to the CMP, the Report of the Adaptation Fund Board. He highlighted a significant increase in the number of adaptation projects financed and national implementing entities accredited. He further noted a drop in the price of CERs, observing that this could jeopardize the Fund's existence. He urged Annex I parties to make financial contributions to avoid compromising the Fund's capacity to meet the needs of vulnerable countries.

JAMAICA, supported by SUDAN, the PHILIPPINES, VANUATU and ZAMBIA, called on the CMP to facilitate mobilization of additional funds during CMP 8. Pointing to the limitations of the carbon market, BURKINA FASO suggested exploring ways to institutionalize predictable funding sources. INDIA noted that the record of Annex I countries leaves "no reason for optimism" on their willingness to voluntarily scale up contributions to the Adaptation Fund. He suggested allocating a share of the proceeds from Joint Implementation (JI) and emissions trading to the Adaptation Fund. Noting that CERs are an important source for the Fund, NEW ZEALAND encouraged parties to take into consideration during discussions on eligibility, that sufficient demand for the CDM will provide financial resources for the Fund.

A contact group was established to facilitate further discussions.

CDM: Maosheng Duan (China), Chair, CDM Executive Board, reported on the work of the Board, highlighting the CDM's success and expressing hope that it will remain a tool for incentivizing investment. He urged parties to provide a clear signal on the CDM's future.

ZAMBIA called for accreditation of additional designated operational entities in Africa, and proposed continued reform of the CDM to address transparency and accountability, and simplify methodologies. BOLIVIA raised concerns about the CDM's contribution to technology transfer and capacity-building and its probable non-additionality.

SWITZERLAND supported the continuation of the CDM while citing specific types of projects requiring further work on additionality and environmental integrity. NEW ZEALAND pointed out that the Kyoto Protocol only covers 15% of

emissions and noted that if only parties participating in the second commitment period can access the CDM, the demand for CDM projects is likely to be insufficient.

Many parties raised concerns over the drop in CER prices and made suggestions on how to address it. VENEZUELA emphasized that the CDM is linked to the level of ambition and is not "just another business opportunity." Climate Market and Investment Association, for BINGOs, urged active engagement from parties to safeguard the mechanism.

ISSUES RELATED TO JOINT IMPLEMENTATION: Wolfgang Seidel (Germany), Chair, Joint Implementation Supervisory Committee (JISC), said JI is at a critical juncture and is facing an "uncertain future." He highlighted proposals made by the JISC for revising the JI guidelines (FCCC/KP/CMP/2012/5), including for: JI to operate a single, "optimized" track; registration of JI project activities to be devolved to host countries; and JI to be overseen by a new governing body.

GRENADA expressed concern over a number of recommendations, including devolving responsibility for validation to host countries and the option of issuing emission reduction units (ERUs) after 2012 in the transition period before countries take on second commitment period QELROs.

REPORT OF THE COMPLIANCE COMMITTEE: Khalid Abuleif (Saudi Arabia), Co-Chair, Compliance Committee, presented the report of the Committee (FCCC/ KP/CMP/2012/6), noting that 2012 was the busiest year to date for the Committee's enforcement branch and a "significant year" for the facilitative branch. He underscored the importance of consistency of reviews, noting that this results in fairness and generates confidence in reporting, review and compliance. Informal consultations will continue.

KAZAKHSTAN'S PROPOSAL TO AMEND ANNEX B: This item was taken up briefly by parties and will be considered further in informal consultations.

PRIVILEGES AND IMMUNITIES: This item was taken up briefly by parties and will be considered further in informal consultations.

COP

IPCC REPORT: Rajendra Pachauri, IPCC Chair, updated parties on progress on preparation of the Fifth Assessment Report.

DATE AND VENUE OF FUTURE SESSIONS: Poland offered to host COP 19 in Warsaw. A contact group was established to discuss venues for COP 20 and 21.

PARTIES' PROPOSALS UNDER CONVENTION ARTICLE 17 (PROTOCOLS): Parties noted proposals by Japan, Tuvalu, the US, Australia, Costa Rica and Grenada. Parties agreed to leave the issue open and return to it during the closing plenary.

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PROPOSALS FOR AMENDMENTS TO THE

CONVENTION UNDER ARTICLE 15: On its proposal to amend Convention Article 4 (Commitments), the RUSSIAN FEDERATION explained the need for periodic review of the countries listed in Annexes I and II. A contact group was established on this issue.

MEXICO, with PAPUA NEW GUINEA, supported by COLOMBIA, introduced the proposed amendment to Articles 7 and 18 of the Convention, underlining the need for clarity on how to proceed in case of lack of consensus. Informal consultations will be held on this issue.

MATTERS RELATED TO FINANCE: Report of the Work Programme On Long-Term Finance: Zaheer Fakir (South Africa) and Georg Børsting (Norway), Co-Chairs of the work programme on long-term finance, presented the workshop report on the work programme on long-term finance (FCCC/CP/2012/3). The PHILIPPINES proposed establishing a contact group to draft a COP decision. Barbados, for AOSIS, suggested that work on long-term finance should focus on: scaling up finance; improving access to finance for developing countries; and ensuring a balance between adaptation and mitigation activities. INDIA said work on long-term finance should ensure consistency with CBDR and discussions in other bodies under the Convention. Parties will take up this issue in a contact group.

Standing Committee Report: Diann Black Layne, Chair, and Stefan Schwager, Vice Chair, Standing Committee, introduced the Standing Committee's report to the COP (FCCC/CP/2012/4).

The PHILIPPINES highlighted gaps in the fulfilment of the Standing Committee's mandate to be addressed under the AWG-LCA, such as on MRV of support provided to developing parties. Parties will take up this issue in a contact group.

GCF Report and GCF Guidance: Zaheer Fakir and Ewen McDonald (Australia) GCF Chairs, introduced the GCF's report to the COP (FCCC/CP/2012/5). They highlighted that the decision to select Songdo, Republic of Korea, as the host city of the Fund, as a milestone for the operationalization of the Fund.

Barbados, for AOSIS, stressed that the COP should provide further guidance to the GCF Board on how to expedite the operationalization of the Fund and initiate an early and adequate replenishment process.

COLOMBIA, speaking for Chile, Costa Rica and Peru, with BOLIVIA, URUGUAY and TOGO, called for the provision of funds to facilitate the operationalization of the GCF. The REPUBLIC OF KOREA, as host of the GCF, stated that they will do their utmost to facilitate the establishment of the interim secretariat as soon as possible. Parties agreed to take up this issue in a contact group.

Arrangements Between COP and GCF: This item was briefly taken up and will be further discussed in a contact group.

OTHER MATTERS: The EU, supported by many parties, introduced a draft decision to strengthen the implementation of decision 36/CP.7 (enhancing participation of women in UNFCCC bodies). The SBI will take up this matter.

SBI

PARTICIPATION OF WOMEN IN UNFCCC BODIES:

This matter was briefly discussed and will be taken up in informal consultations.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

ADP: ROUNDTABLE: Vision for the ADP: During this discussion, delegates addressed questions related to how: the principles of the Convention will be applied in the new agreement; to consider national circumstances; the new agreement will be applicable to all in practice, including approaches to defining differentiated commitments; and to incentivize full and ambitious participation and ensure effective implementation and compliance arrangements. In addressing these questions, parties also considered implications for the ADP's planning of work.

Many developing countries highlighted that parties should be allowed to make commitments and take actions in accordance with their national circumstances. SINGAPORE and PAKISTAN said developed countries should demonstrate leadership. AUSTRALIA encouraged dynamic interpretation of the Convention principles and urged for a common legal platform for inscribing commitments to be implemented in accordance with national circumstances. NEW ZEALAND proposed a combination of bottom-up and top-down approaches where obligations on mitigation apply to all parties but according to national determinants. MARSHALL ISLANDS emphasized the need for common verification. ECUADOR cautioned against using the notion of national circumstances to re-categorize developing countries and described historic responsibility as an "ecological debt" to be paid off. The EU highlighted their priority of leaving Doha with a clear understanding of the work to be undertaken next year under the ADP. He said the Convention principles should be seen in an evolving context, adding that uniformity should not be understood in terms of commitments undertaken, but in terms of the nature of the obligation. PAKISTAN reflected on how the CBDR principle and the consideration of national circumstances differ in practice. He suggested clarifying the nature of incentives. INDIA said that actions should be differentiated on the basis of equity and that the consideration of national circumstances should allow for countries to choose the form and nature of actions to be undertaken. He further highlighted developing countries' national priorities, especially poverty eradication. Discussions will continue.

AWG-KP: Informal Consultations on Matters Relating to the Second Commitment Period:

Discussions during the informal consultations were based on the AWG-KP Chair's proposal to facilitate negotiations (FCCC/KP/AWG/2012/CRP.1). Parties undertook a first reading of the document and focused on the operative parts of the draft CMP decision on amendments to the Kyoto Protocol.

They discussed the options in the text relating to: the length of the second commitment period; operationalization of the second commitment period; and other issues such as increasing the share of proceeds under the CDM and extending it to other flexibility mechanisms, and how to encourage parties to adopt the second commitment period. Several parties made textual proposals for inclusion in the draft document.

Informal consultations will continue.

IN THE CORRIDORS

Over the course of the day on Wednesday, it became very clear that the AWG-KP issues of the length of the second commitment period and the carry-over of AAUs would need to be handed over to ministers when they arrive for, as one delegate put it, "a high-level touch." "All we can do now is to streamline options until then. I really feel we're just marking time," commented another, pointing out that so far, all they have been doing is "clarifying already crystal clear positions."

On the AWG-LCA side, a negotiator opined that considering the optimism expressed during the pre-COP in Seoul, he had come to Doha expecting that a sense of urgency would guide the AWG-LCA. He lamented that, unfortunately, this optimism seemed to have dissipated and things were now at a near standstill, with many rejecting the Chair's text as the basis for further negotiations.

One delegate said she really hoped that parties would "wake up and realize that this back and forth will get us nowhere. We need to work together." She recalled the now popular phrase uttered by COP 17 President Nkoana Mashabane: "If you want to walk fast, walk alone; if you want to walk far, walk with others." She said all parties need to take a slow, perhaps, but at least steady road to 2015, and hopefully get something good out of the long walk.