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DOHA HIGHLIGHTS: MONDAY, 3 DECEMBER 2012

On Monday morning, afternoon and evening, contact groups and informal consultations convened on a number of issues, including the agreed outcome of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), item 3 under the *Ad Hoc* Working Group on Annex I Parties' Further Commitments under the Kyoto Protocol (AWG-KP) and workstreams 1 and 2 under the *Ad Hoc* Working Group on the Durban Platform for Enhanced Action (ADP).

On Monday evening, an informal stocktaking plenary by COP 18/CMP 8 President Abdullah bin Hamad Al-Attiyah (Qatar) also took place.

COP 18/CMP 8 PRESIDENT'S STOCKTAKING PLENARY

In the evening, the COP 18/CMP 8 President's stocktaking plenary convened. The SBI, SBSTA, AWG-KP, AWG-LCA and ADP chairs provided updates on the status of negotiations.

SBSTA Chair Richard Muyungi (Tanzania) highlighted that issues forwarded to the COP for further guidance include development and transfer of technology, and methodological issues under Protocol Articles 5, 7 and 8.

SBI Chair Thomaz Chruszczow (Poland) said that the SBI successfully closed many items, but indicated that items requiring further attention include national adaptation plans and MRV for non-Annex I parties related to international consultation and analysis. He added that issues requiring further political consideration include loss and damage, and technology.

AWG-KP Chair Madeleine Diouf (Senegal) noted her expectation for revised text on Wednesday and the completion of the AWG-KP's work. She highlighted issues that may require ministerial input, including access to the flexibility mechanisms by parties not undertaking commitments in the second commitment period and raising the level of ambition.

AWG-LCA Chair Aysar Tayeb (Saudi Arabia) reported on the AWG-LCA outcome and the status of progress under the AWG-LCA agenda items. He said that some parties had identified the need for further work on various issues before concluding the AWG-LCA. While underscoring substantial progress on mitigation issues, he noted less progress on adaptation, finance, technology, capacity building and response measures. He said smaller groups are already engaged in drafting text under some of the agenda issues, and that issues of a political nature that would benefit from ministerial engagement are being identified.

ADP Co-Chair Harald Dovland (Norway) reported that the co-chairs had presented an informal note containing elements of the ADP work plan. He indicated that, based on feedback from parties, the informal note will be revised for consideration on Tuesday.

Highlighting the request for early outreach of ministers, COP 18 President Al-Attiyah said Luiz Figueiredo Machado (Brazil) and Bård Vegar Solhjell (Norway) will hold an informal ministerial outreach process to assist the AWG-KP Chair on discussions related to access to the Kyoto Protocol flexibility mechanisms for parties not taking commitments under the second commitment period and extending the share of proceeds to the other flexibility mechanisms. He added that also other issues could require further involvement by ministers later on.

Algeria, for the G-77/CHINA, expressed support for the President using appropriate approaches to find a solution that is acceptable to all parties and noted that the time factor "should not be used as a pretext to digress from the objective of achieving consensus."

Swaziland, for the AFRICAN GROUP, expressed concern over the SBI's closing plenary, which was held during the early hours of Sunday and highlighted that such procedural arrangements exceeded the capacity of small delegations. He called for clarity on whether the SBSTA item on agriculture would be taken up by the COP or forwarded to the next SBSTA.

Nauru, for AOSIS, emphasized that success in Doha requires an ambitious agreement on finance, and lamented lack of urgency and ambition across all negotiating tracks.

Australia, for the UMBRELLA GROUP, emphasized the need to: address issues around "operability" and eligibility for access to flexibility mechanisms in order to deliver a Kyoto Protocol second commitment period; recognize substantial outcomes achieved in Cancun and Durban; focus on areas of convergence to finalize any remaining work in the AWG-LCA; and capture ADP discussions in a text to send a signal that the ADP is on track.

Switzerland, for the EIG, highlighted the need to build consensus and not revisit what has already been agreed upon, and supported bringing specific issues to ministers for guidance. The EU emphasized that "we are here to deliver" a balanced package as agreed in Durban. On the second commitment period under the Protocol, she expressed concern about lack of progress on technical elements and welcomed ministerial input.

VENEZUELA expressed concern that parties are heading toward a "mitigation and market agreement" that will unfairly benefit developed countries. She further expressed concern



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that the AWG-LCA text does not include finance, adaptation or technology and stated that discussions on providing access to flexibility mechanisms for those not participating in a second commitment period violates the principles of the Kyoto Protocol.

Bangladesh, for the CLIMATE VULNERABLE FORUM, identified finance, technology and capacity building as critical for the 2013-2020 period. COLOMBIA, for Chile, Costa Rica, Dominican Republic, Guatemala and Peru, supported the engagement of ministers to address crucial issues discussed under the AWG-KP and emphasized the need for a party-driven process, particularly in the preparation of the AWG-LCA text.

BOLIVIA expressed concern over various informal notes produced by facilitators that do not consider submissions from some parties and the lack of progress on increasing the level of mitigation ambition. NICARAGUA called for avoiding a "lost decade for climate finance," noting the lack of a roadmap to achieve the 2020 goal for finance.

Egypt, for the ARAB GROUP, stressed that there is no contradiction between ambition and equity, and that equity should be the "gateway to ambition." He noted that ambition should also be multi-dimensional. India, for the LIKE-MINDED DEVELOPING COUNTRIES, underlined that the meaningful conclusion of the AWG-LCA is one of the main components of the Durban package, and called for resolving all its issues, including adaptation, capacity building, technology and finance.

Responding to questions on the status of the SBSTA agenda item on agriculture, SBSTA Chair Muyungi reported that the lack of consensus to refer this item to the COP for further consideration had been noted and that during the SBSTA closing plenary parties had agreed to continue consideration of this agenda item at SBSTA 38. Chair Muyungi further noted that he had reported this to the COP President.

COP President Al-Attiyah urged parties to continue their efforts to find solutions to the various issues, so as to complete work by Friday. He informed parties of his intention to complete the work forwarded by the SBs by Tuesday and to close the AWGs on Wednesday.

AWG-LCA

AGREED OUTCOME: In the morning, AWG-LCA Chair Tayeb convened informal consultations on the AWG-LCA agreed outcome. Discussions focused on a new text on the status of AWG-LCA agenda items 3-5 (AWG-LCA agreed outcome, Review and other matters).

Algeria, for the G-77/CHINA, expressed disappointment with the text, noting that it is "unbalanced," failing to reflect the main elements of the Bali Action Plan. Nicaragua, for the LIKE-MINDED DEVELOPING COUNTRIES, with many other developing countries, stressed the need for text on adaptation, finance, technology and capacity building. Kenya, for the AFRICAN GROUP, identified the inclusion of key elements of the Bali Action Plan as a precondition for discussions. The PHILIPPINES, the UNITED ARAB EMIRATES and others lamented lack of clarity on the means of implementation. BOLIVIA objected to the "market-oriented" focus of the text. CHINA identified the need to close the AWG-LCA with a "comprehensive and balanced" outcome, saying the text before delegates is not comprehensive. ECUADOR identified: the environmental integrity of markets; measuring, reporting and verification (MRV) of financial support; and adaptation as "crucial" issues. The CENTRAL AFRICA FOREST COMMISSION called for a work programme that specifically addresses the socio-economic and ecosystem benefits of forest conservation.

The US, CANADA, AUSTRALIA and NEW ZEALAND emphasized the importance of recognizing progress made under the AWG-LCA, including the various new institutional arrangements established. Switzerland, for the EIG, warned against attempts "to revisit everything," raise "artificially high" expectations and focus on "things that divide us." JAPAN lamented lack of recognition by developing countries of progress on finance, including fast-track finance and the establishment of the Standing Committee. Several developed countries emphasized that discussions on issues, including adaptation and finance, will continue under other processes after the termination of the AWG-LCA. The EU drew attention, inter alia, to: the Adaptation Committee and the Standing Committee; and work on long-term finance and national adaptation plans. BARBADOS emphasized that there is no process outside the AWG-LCA to consider the post-2012 financing gap and that the Green Climate Fund remains "an empty shell."

The EU highlighted specific tasks in the AWG-LCA's mandate, saying that no decision on market approaches would mean no process to consider the issue after Doha. BRAZIL suggested that market mechanisms be discussed under the ADP, while the EU raised concerns over this idea. VENEZUELA stressed that the text on paragraph 1(b)(v) of the Bali Action Plan (market and non-market approaches) had been rejected by many developing countries during informal consultations, and objected to presenting the text as the basis for further negotiations. BOLIVIA agreed, emphasizing concerns over market mechanisms, including double counting and non-additionality that could increase emissions.

COLOMBIA urged: identifying under which bodies the Bali Action Plan can continue to be implemented; "giving closure to what can be closed"; and giving comfort to those who feel some issues are not reflected in the text. BRAZIL highlighted the need to wrap up everything under the AWG-LCA's mandate and stressed that solving all these issues is a precondition for meaningful work under the ADP. SOUTH AFRICA and others emphasized that the closing text of the AWG-LCA must encompass all issues under the AWG-LCA's mandate, and that some issues require more elaboration. MEXICO identified the need to take into consideration outcomes from COP 16 and 17, and consider what else needs to be done. She identified the need to close the AWG-LCA knowing that implementation of its outcomes will continue for many years.

Chair Tayeb explained that the paper was not "his" text, but an unedited compilation of papers from the spin-off groups, except for those groups where there was no agreement to have a text. He signaled "a lot of work" ahead for the AWG-LCA this week, noting that while some groups would benefit from additional negotiating time, others are moving backwards and require guidance in order to move forward.

Chair Tayeb proposed that the spin-off group on shared vision focus on text on a process to: explore the numbers for a global goal and timeframe for peaking, together with their implications; and consider equitable access to sustainable development. On the Review, Chair Tayeb suggested that the group focus on the scope of the Review, coupled with considerations for expert input. On developed and developing country mitigation, Chair Tayeb urged parties to focus on establishing work programmes and their potential elements. After discussion, Chair Tayeb said "informal informals" would take place on the Review, shared vision, developed country mitigation and developing country mitigation.



ITEM 3: In the morning, the AWG-KP contact group on item 3 (consideration of Annex I Parties' further commitments) took place. AWG-KP Chair Diouf drew attention to her revised proposal to facilitate negotiations (FCCC/KP/AWG/2012/CRP.2).

Facilitator Sandea de Wet (South Africa) reported on the spinoff group on numbers/text, noting that parties had exchanged views on how to raise the ambition level. She noted "modest progress" on cleaning text, observing that the options on the eligibility to participate in the flexibility mechanisms during the second commitment period require further clarification, and progress is also needed on carry-over of surplus Assigned Amount Units (AAUs).

AWG-KP Vice-Chair Jukka Uosukainen (Finland) reported "good progress" in his informal consultations on matters relating to the second commitment period. He noted that some paragraphs in the draft CMP decision on Protocol amendments remain in brackets "for practical and tactical reasons," waiting for progress in other groups rather than representing real, unsolved issues. He explained that issues related to the provisional application of the second commitment period (paragraphs 7-11) in the revised text remain to be solved. Vice-Chair Uosukainen identified three options for provisional application: opting out; opting in; and an implementing decision, saying these options are "not necessarily mutually exclusive."

AWG-KP Chair Diouf then presented her assessment of how the AWG-KP can progress to full agreement. She explained that parties' views on the length of the second commitment period, QELROs and ambition are still divergent. On the Protocol's legal continuity from 1 January 2013, she said options are fewer and clearer, and asked whether parties see possibility of convergence. On the Protocol's operational continuity for Annex I parties from 1 January 2013, she reported that proposals are on the table but identified the need for more time to discuss them.

With regards to the eligibility of Annex I parties not participating in the second commitment period to access the Protocol's flexibility mechanisms, she observed divergent views with no compromise option in sight. Identifying this as a political issue, she reminded parties to refine a proposal for ministers. The EU emphasized the CDM as an important funding source for the Adaptation Fund. The Marshall Islands, for AOSIS, supported by INDIA, called for ensuring that a share of proceeds from the flexibility mechanisms is used for adaptation.

Noting proposals on the table, Chair Diouf also emphasized that the carry-over of surplus AAUs is a "complex, sensitive and political" issue. Expressing hope for a solution, she invited parties to work in a transparent manner before forwarding the issue to the ministers.

The EU underscored that parties have been working on the issues of carry-over of AAUs and increasing ambition, calling for the "fruits of this work" to be tabled before forwarding the text to ministers. Saint Lucia, for AOSIS, and several developing countries, stressed the need to achieve a higher level of ambition. She lamented that some parties have dropped to the lower end of their pledges despite their clear mandate to move up to the top end of their pledges, and noted their conditionalities have been met with the creation of the ADP process. The PHILIPPINES urged parties to "walk fast, far and forward." AUSTRALIA identified ambition as a broader issue that must be addressed beyond the Protocol's second commitment period. SWITZERLAND identified addressing the carry-over of surplus AAUs as a way to raise ambition.

ADP

WORKSTREAMS 1 AND 2: In the afternoon, the ADP convened informal consultations on workstreams 1 and 2. Parties considered the co-chairs' informal note of 2 December.

The informal note includes elements of a possible decision and conclusions, including on an ADP work plan, to be forwarded to the COP for consideration.

Parties made general comments on the informal note, as well as concrete proposals regarding specific paragraphs. Parties suggested that the Doha ADP outcome should include: commitment to complete work in 2015; negotiating text for 2014; and provisions for engaging with ministers from different sectors, for example, by holding yearly ministerial roundtables. Some parties stated their preference for a "minimalist outcome" in Doha, noting that nothing more was possible or necessary at this stage of discussions.

Several parties said it was too early to invite submissions on the architecture of a future agreement, with one party emphasizing that scope, and not architecture, needs to be defined. One developing country observed that all elements of the Durban Platform, and not just the two workstreams, should be addressed in a holistic manner. Several parties also stressed the need for balance between the two workstreams.

On the ADP's workplan for 2013, several developed country parties questioned the need to convene additional sessions in 2013 for the ADP, stating that the scheduled UNFCCC sessions would provide sufficient time for discussions.

Several parties opposed text requesting the Secretariat to prepare a technical paper analyzing the mitigation potential of international cooperative initiatives, with one preferring that the ADP request the international cooperative initiatives themselves to identify their mitigation potential.

A revised co-chairs' informal note will be prepared and informal consultations will continue.

IN THE CORRIDORS

The roomy corridors of the Qatar National Convention Center were noticeably busier on Monday as ministers and a contingent of fresh delegates began arriving for the final days of talks in Doha. During the stocktaking events and press conferences organized throughout the day, delegates had the chance to think of the arduous trek towards bringing the conference to a successful closure.

With the SBs concluded, all eyes were now on the AWG-KP and AWG-LCA, which have to resolve all outstanding issues within the next few days and terminate their work. Some, including the EU at its press conference, also highlighted the importance of agreeing on clear steps for the ADP to reach a legally-binding agreement by 2015. Informal discussions under the AWG-LCA retraced familiar divergences between developed and developing countries that remain on issues to be addressed to fulfill the AWG-LCA's mandate. There did not seem to be consensus among delegates on which issues were the most controversial; some cited adaptation, finance and market mechanisms, while others said unilateral trade measures and response measures were sticking points.

Despite so much work remaining, some commented on the "lackluster" conference, with one NGO representative saying it felt like a "bureaucratic COP." After the evening stocktaking plenary, several delegates were in a rather pessimistic mood and seemed far from certain that a successful outcome was in sight. One long-time delegate said he had "little hope for a 'surprise' agreement at the end of it.



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