

AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: SUNDAY, 2 OCTOBER 2011

The UN Climate Change Conference continued in Panama City with informal groups meeting throughout the day. In the morning, the informal groups on developed country mitigation and other matters, including groups on economies in transition (EITs) and countries with special circumstances, convened under the AWG-LCA, along with an “in-depth” discussion in the informal group on capacity building. The AWG-KP spin-off group on LULUCF also took place in the morning.

In the afternoon, the AWG-LCA informal groups on adaptation, developing country NAMAs, technology transfer, shared vision and finance convened. The AWG-KP spin-off groups on numbers and the flexibility mechanisms also took place.

AWG-LCA INFORMAL GROUPS

DEVELOPED COUNTRY MITIGATION: During the morning informal consultations parties were invited to consider the way forward. Many parties supported focusing discussions on IAR and biennial reports. While some parties highlighted the need for balanced progress between developed and developing countries mitigation discussions, others underscored that the balance should be achieved by seeking progress under the AWG-KP and the AWG-LCA tracks. Many parties highlighted the need to leave Panama with a clear text on mitigation.

On IAR, SOUTH AFRICA suggested focusing on process. Highlighting the need for draft text on IAR, AUSTRALIA called for making use of existing COP guidance and reviewing the extent to which parties have achieved quantified economy wide emission reduction targets. With SWITZERLAND and the US, she suggested focusing on operational elements. AUSTRALIA and NORWAY proposed integrating biennial reports and IAR into existing reporting to avoid duplication. BRAZIL called for enhancing comparability as part of the IAR process. Saint Lucia, for AOSIS, and INDIA underscored the importance of common accounting rules for comparability.

On compliance, BRAZIL, with AOSIS, noted the need for IAR to build on existing review processes and for review options that are compatible with the continuation of the Kyoto Protocol and with Protocol Article 8 (review). VENEZUELA, CHINA and MALI said IAR should contain, in part, a compliance

mechanism. NORWAY emphasized that the review should provide a clear technical basis indicating whether a party is on track to meeting commitments.

BRAZIL, INDIA, VENEZUELA and CHINA emphasized that IAR and ICA are two separate processes. Parties agreed that the facilitator would draft a concise note on IAR based on parties’ inputs, reflecting alternate options when divergent views exist.

On biennial reports, MALI noted the reports should address mitigation and means of implementation, and SAUDI ARABIA emphasized reporting on the effects of mitigation activities. LEBANON highlighted that biennial reports should contain specific information on the level of ambition in relation to the global goal. The EU suggested that the objectives of guidelines, structures, the modalities for communications and the detail required in biennial reports could be captured in an Annex to a decision.

AUSTRALIA said biennial reports should “dovetail” with existing national GHG inventory processes and should be submitted starting in 2013. SOUTH AFRICA recommended including information on quantified economy-wide emission reductions in the biennial reports.

SINGAPORE noted that an update on progress on achieving emission reductions should be provided and that biennial reports should also function as an early warning system.

The MARSHALL ISLANDS underscored that the guidelines should be flexible and robust. He also observed that support should be provided to developing countries to enhance their ability to produce their own biennial reports. INDIA stressed that biennial reports are the basis on which IAR will be conducted and that Annex I parties should indicate targets for emission reductions.

The Facilitator will prepare a non-paper synthesizing views expressed by parties.

IN-DEPTH DISCUSSION ON DELIVERY OF CAPACITY-BUILDING SUPPORT THROUGH INSTITUTIONS AND INITIATIVES UNDER THE CONVENTION: AWG-LCA Chair Daniel Reifsnyder (US) underscored the importance of capacity building under the Convention, in particular in relation to ongoing efforts, such as the development of NAMAs. Facilitator Jukka Uosukainen (Finland) introduced the in-depth discussion as an opportunity for thorough and focused discussion.

The UNFCCC Secretariat introduced an informal note on “capacity-building work in institutions and initiatives under the Convention,” which provides an inventory of references to capacity-building in mandates, functions and activities of institutions and initiatives under the Convention.

Where, and how, is capacity-building integrated in adaptation and technology: Facilitator Uosukainen presented on three key areas of adaptation under capacity-building, including implementation, support and institutions for adaptation. On technology, he reiterated the need to decide on procedures for the establishment of the Climate Technology Centre and Network (CTCN) in Durban. Parties discussed the inclusion of technology assessments in the CTCN and the categorization of capacity-building priorities.

Where, and how, is capacity-building integrated in the mandates and work programmes of the LDC Expert Group (LEG) and the Consultative Group of Experts on Non-Annex I Parties’ National Communications (CGE): Batu Uprety, Vice-Chair of the LEG, elaborated on their work in providing, *inter alia*: technical advice and guidance on the preparation, implementation, revision and update of national adaptation programmes of action (NAPAs); the identification of medium and long-term adaptation needs; and the implementation of adaptation actions.

Sangchan Limjirakan, Chair of the CGE, explained that the core mandate of the CGE is to provide technical advice and support in improving the process and preparation of non-Annex I national communications.

GEF engagement on capacity-building: Rawlestone Moore, Global Environment Facility (GEF), referred to capacity-building as capacity-development, and underscored the value of integrating capacity development into projects and programme design to ensure its success. Parties discussed lessons learned from stand-alone capacity-development projects and ways to resolve challenges.

Where, and how, is capacity-building integrated in finance and mitigation: Suzanty Sitorus, facilitator of the AWG-LCA informal group on finance, presented on recent party submissions outlining ways the Standing Committee on the Financial Mechanism of the Convention could contribute to enhancing capacity-building.

On mitigation, facilitator Uosukainen summarized recent party submissions that affirm the need to provide financial and technical support for the preparation of biennial update reports, and for NAMAs to be developed in a context of sustainable development.

Facilitator Uosukainen encouraged parties to make submissions on capacity-building by Tuesday to facilitate production of a draft negotiating text.

ADAPTATION: The informal group met in the afternoon. AWG-LCA Vice-Chair Mukahanana-Sangarwe suggested that discussions center on three areas: the operational modalities for performing the functions of the Adaptation Committee; the composition of the Committee; and linkages with new and existing institutions under the Convention. Parties then deliberated on how to proceed. The PHILIPPINES suggested that parties use their proposed draft text, which builds on the facilitator’s note from the Bonn session, as a basis for discussion. BOLIVIA, URUGUAY and SAUDI ARABIA, opposed by the US, supported this.

The EU highlighted the urgency of finalizing draft decision text in Durban so as to operationalize the Adaptation Committee. Mukahanana-Sangarwe proposed, and parties agreed, to incorporate missing elements into the facilitator’s note and then to use this as a basis for discussions.

DEVELOPING COUNTRY NAMAS: In the afternoon informal group, parties discussed the organization of work and expectations for the week. Parties considered whether to begin discussions with ICA and biennial update reports or the NAMA registry. CHINA and SAUDI ARABIA called for focusing on the NAMA registry. BRAZIL proposed the consideration of diversification of NAMAs. The EU suggested that discussions focus on the legal form and the overall level of ambition. AUSTRALIA highlighted the gap on what the Cancun pledges will deliver and what is needed to meet the goal of keeping the temperature increase to 2°C or less. SWITZERLAND suggested spin-off groups to “deepen certain details.”

Many parties supported inviting the co-facilitators to prepare a non-paper on ICA and biennial update reports reflecting parties inputs from Panama, the Bonn session and submissions from parties.

On ICA, parties addressed the principles, objectives and possible steps for the process. BRAZIL, supported by the MARSHALL ISLANDS and other developing countries, emphasized that IAR and ICA respond to different objectives. CHINA underscored that while IAR is meant to assess and review the commitments made by Annex I parties and their comparability of efforts, ICA is intended to increase transparency of voluntary mitigation actions, especially those that are internationally supported.

Many developing countries underscored that the ICA frequency was not established under the Cancun Agreements and should be flexible depending on national circumstances. The US said ICA should go hand-in-hand with biennial reports and should provide input for the Review. Supported by other developed countries, he said the ICA process should consist of an analysis by experts including impacts of mitigation actions, methodologies and assumptions, and a consultation to share views among parties in the SBI. MALI highlighted that “international consultation and analysis” implies a sequence of how the process should be carried out. CHINA said ICA should be a technical process led by a group of technical experts.

On biennial update reports, parties addressed the scope and content, possible elements, level of detail to be reported and the submission cycle. On content, BRAZIL highlighted that the Cancun Agreements provide clear guidance on the core elements to be addressed, namely updates of national GHG inventories, including a national inventory report and information on mitigation actions, needs, and support received. He added that the timing should be connected to the support provided. Many developing countries highlighted the need to enhance mechanisms of support.

AUSTRALIA called for progress on biennial update reporting guidelines to create a framework to enable developing countries to get started on the process and suggested, with the EU, January 2014 as a date for the submission of the first biennial update report. Many developed countries supported using the biennial update report as an input for the 2015 Review. CHINA said the guidelines for the biennial update report should be a sub-set of the current national communication guidelines and, with many developing countries, emphasized that biennial update report content should be part of national communications and avoid

duplication. BRAZIL, supported by INDIA, stressed the need to take into account the respective capacities and capabilities of countries. A non-paper will be prepared by the facilitators to serve as a basis for further discussion.

SHARED VISION: In the afternoon meeting of the informal group, AWG-LCA Vice-Chair Mukahanana-Sangarwe requested parties for proposals and suggestions on the way forward in developing draft-negotiating text for Durban. Divergent views emerged over how to proceed. The Philippines, for the G-77/CHINA, said they expected all submissions by parties to be included in the negotiating text, and some countries, including SAUDI ARABIA, CHINA, BRAZIL, BOLIVIA and INDIA, reiterated that the shared vision should be in the context of the BAP. Other countries, including AUSTRALIA, SWITZERLAND, NORWAY, the US and JAPAN, said the shared vision should be based on the two issues mandated from Cancun, i.e., the long-term global goal and the peak year.

The EU stressed that some issues should be dealt with in other groups or fora. MEXICO said narrowing the scope to these two issues will inevitably “touch upon other issues.” The Gambia, for the AFRICAN GROUP, with others, said the facilitator’s note from the Bonn meeting could be considered as a basis for further discussion, but should be further developed based on views and submissions. JAPAN expressed concern with using the facilitator’s note as a basis for negotiation, noting the scope was too wide.

BOLIVIA said the text needed restructuring and supported an international court of climate justice to ensure compliance with the global goal. INDIA said the underlying basis of the goals must be agreed to before the specific goals themselves, and decisions should be based on equity. The PHILIPPINES stressed that the numbers must have a context, otherwise “we may as well hang up a dartboard and throw darts” at numbers. AUSTRALIA underscored that the science is clear. Parties agreed that a new text would be developed by the facilitator for consideration at the next meeting of the group, based on submissions by parties, which would include those issues not already in the facilitator’s note.

FINANCE: In the afternoon informal group, PAKISTAN presented a proposal for a Standing Committee on the Financial Mechanism under the Convention. He observed that the proposal strengthened elements on: oversight of operational entities; MRV of support received; and linkages to the thematic bodies to be operationalized in Durban.

Parties then discussed the organization of work with a view to making progress on advancing decision text. Debate centered on what to begin discussions with. Many developed countries proposed that the group begin by addressing the Standing Committee, focusing on its roles and functions. A number of developing countries preferred beginning discussions with elements of a draft decision on long-term finance, noting that the issue had not been addressed in much detail during the Bonn session. Parties eventually agreed to begin discussions on Monday with long-term finance followed by the standing committee later on in the day.

AWG-KP SPIN-OFF GROUPS

LULUCF: In the morning spin-off group, parties discussed how to move forward and agreed to address natural disturbances, a cap on forest management and harvested wood products (HWP) during the week. Parties exchanged views on *force*

majeure and natural disturbances, including the commonalities and differences of both concepts. Parties then discussed the proposal on “flexible land-use.”

The Secretariat provided an update on the review process of the forest management reference levels and described the ongoing process to elaborate a synthesis report. Some parties highlighted the importance of discussions on the outcome of the review of the forest management reference levels.

ANNEX I EMISSION REDUCTIONS: In the afternoon spin-off group on “numbers” parties agreed to focus discussions throughout the week on: the conversion of emission reduction pledges into QELROs, including the impact of LULUCF rules; streamlining options on the carryover of surplus AAUs; and working through the chapter text. Parties were not able to agree on establishing an informal group to identify further items to be elevated to the contact group on Annex I parties’ further commitments and the possibility of discussing Option B (consequential amendments).

A number of developed country parties supported discussing Option B, noting that many of the proposals are designed to improve the efficiency and environmental integrity of the Kyoto Protocol. Many developing country parties expressed concern that Option B is not within the mandate of the AWG-KP, and that these issues should be addressed under the AWG-LCA. Informal consultations will continue on how or whether to address Option B.

FLEXIBILITY MECHANISMS: In the afternoon spin-off group co-facilitator El Hadji Mbaye Diagne (Senegal) invited parties to identify elements of the text where progress towards a Durban outcome could be made.

Views were divided on convening informal consultations to allow parties to clarify their proposals in the paragraphs on general issues. The facilitator noted that discussions in the spin-off group will continue on general issues, but that the co-facilitators would also conduct consultations on the general issues paragraphs.

Noting continued disagreement on nuclear activities under the CDM and Joint Implementation (JI), the facilitator said informal consultations will continue. Parties agreed to delete the text on discount factors. Views diverged on whether to delete or retain text on supplementarity and new market mechanisms.

IN THE CORRIDORS

Day two of the Panama meeting ended with many delegates and facilitators awaiting new draft texts from the informal groups under the AWG-LCA track. “A draft text feels like mission impossible sometimes,” lamented one delegate after sitting through procedural discussions in the finance informals.

Several delegates leaving the AWG-KP spin-off groups on the flexibility mechanisms and numbers threw up their hands in exasperation. A number of them were frustrated by what one senior negotiator characterized as a “rehashing of well-worn debates.” On consequential amendments, one said “there are deep divisions on whether they are even within the mandate of the AWG-KP.”

Meanwhile, the South African delegation provided a “very comprehensive” update on logistics for the Durban conference, leaving many delegates feeling confident about the logistical arrangements - entailing shuttles, bicycles and “people movers.”



Climate Change Policy & Practice

Climate Change Policy & Practice (formerly called Climate-L.org) is a knowledge management project carried out by the International Institute for Sustainable Development Reporting Services (IISD RS) in collaboration with the UN System Chief Executives Board for Coordination.

This knowledgebase of UN and intergovernmental activities addressing the challenge of global climate change features:

- **news on UN and intergovernmental activities related to international climate change policy, updated on a daily basis;**
- **an iCal of upcoming climate change events;**
- **guest articles by key figures of the climate community and UN leaders; and**
- **policy updates.**

New posts to the knowledgebase are distributed through the Climate Change Daily Feed, which is distributed exclusively through our community listserve, CLIMATE-L.

Climate Change Policy & Practice: <http://climate-l.iisd.org/>

To receive the Climate Change Daily Feed and to subscribe to the CLIMATE-L community listserve: <http://climate-l.iisd.org/about-the-climate-l-mailing-list/>

**To subscribe to our iCal of climate change events:
<webcal://climate-l.iisd.org/subscribe/icalendar/>**

**Climate Change Policy & Practice is supported by the
Swiss Agency for Development and Cooperation, Global Program Climate Change**



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Agency for Development
and Cooperation SDC**