

AWG-LCA 14 AND AWG-KP 16 HIGHLIGHTS: TUESDAY, 4 OCTOBER 2011

The UN Climate Change Conference continued on Tuesday. In the morning, the AWG-KP contact group on Annex I parties' further commitments convened. Informal and spin-off groups convened throughout the day under the AWG-LCA and AWG-KP.

Under the AWG-LCA, informal groups took place on developed country mitigation, developing country NAMAs, the Review, REDD+, legal options, capacity-building, finance, adaptation, shared vision, and technology transfer. Under the AWG-KP spin-off groups convened on Annex I emission reductions, LULUCF, other issues and potential consequences.

South Africa, the incoming COP presidency of COP 17 and COP/MOP 7, conducted an open-ended informal consultation for stakeholders in the afternoon.

AWG-LCA INFORMAL GROUPS

DEVELOPED COUNTRY MITIGATION: In the morning informal session, parties considered a facilitator's non-paper on the possible elements of modalities and procedures for IAR. Under objectives, several developing countries objected to reference to a "non intrusive" IAR process, calling for language consistent with the Cancun agreements. Several developing country parties objected to the "merging" of IAR and ICA provisions. Divergent views were expressed among developing and developed countries on compliance, with the former saying that comparability and compliance are key objectives of the IAR process. Some developed countries disagreed, saying a compliance process had not been agreed to. One said that transparency is the overall objective of IAR.

Developing countries also maintained that reference to promoting consistency in accounting and comparability of efforts among developed countries should be through the application of common agreed rules and that this should be reflected. However, a group of developed countries said IAR needs to be complemented by an accounting system including carbon budget

periods, LULUCF and mechanisms. Another developed country said it was not appropriate to introduce common accounting rules, since they have not been developed.

Developing countries objected to frequency of the IAR process being attached to the party's share of GHG emissions, noting that the overall principle of IAR should be linked to historical responsibility.

On technical review, developing countries said that in addition to identifying gaps in implementation, the text should also include proposed solutions. Several developed countries said this would be intrusive if recommendations proposed changes to domestic law and policy. Debate also centered on sequencing, with developing countries preferring technical assessment to be conducted before review.

On outputs, developing countries said that in addition to compliance assessment, measures to address non-compliance and consequences of non-compliance should also be included. On recommendations to parties, several developed country parties expressed concern that recommendations could be politicized, adding that it is not appropriate for a team of technical experts to define specific policy actions to be taken by governments. One developing country said it did not want to see a technical report as an output.

On the facilitators' non-paper on biennial reports, many developing countries highlighted, *inter alia*, that: criteria for categorizing funding either for mitigation or adaptation should be set by the UNFCCC, rather than based on the Organization for Economic Co-operation and Development's (OECD) Development Assistance Committee criteria; information in the biennial reports should be based on common accounting rules and performance indicators to improve transparency and comparability; and that there should be no "parallelism" with biennial update reports. Several developed countries supported diverse accounting methodologies to reflect the wide range of methods available to reduce emissions. A number of developed countries said the reports should be short and concise. One developed country called for negotiating a common accounting framework *ex-ante*.

REVIEW: The informal group met in the morning to further discuss definition of the scope of the review and development of modalities. A revised facilitator's note containing submissions by countries was presented. Parties expressed divergent views on the way forward. Some developed countries reiterated the need for a draft decision text to be derived from the facilitator's note, and to be negotiated in Durban. A developing country suggested that all views should be captured in the text. A developing country cautioned against overlapping with issues addressed in other informal groups, suggesting that the group concentrate on what is feasible and practical in the review.

Parties' views differed on the definition of the scope, with some noting that it was adequately laid out in the Cancun Agreements, while others expressed the need for a further definition. Divergent views were expressed on the next steps; some parties emphasized that it was "premature" to start discussing draft decision text, whereas others reiterated the need for a draft decision text to be finalized before Durban. Parties agreed that the facilitator's note should be revised to fully capture parties' submissions.

REDD+: In the informal group, parties addressed expectations for Durban. A proposal on financing for phase 3 (full implementation) from a group of countries was presented. Parties continued discussions on financing for REDD+. On sources of financing, many parties highlighted that REDD+ should be supported through different financing options and that this decision should be made by each country.

Some parties highlighted the important role of private investment and market mechanisms and others emphasized that ecosystem services, including biodiversity co-benefits, should be considered. One party cautioned against market mechanisms and the "commoditization" of nature.

Many parties underscored the need to include a REDD+ specific window under the Green Climate Fund. Cautioning against duplication, some parties said this was being addressed by the Transitional Committee for the design of the Green Climate Fund.

Some parties noted that a possible outcome for Durban will be contingent on the outcome of ongoing relevant discussions under the SBSTA and the Transitional Committee, while others emphasized that discussions in the group should be independent from discussions in other fora. Discussions will continue.

LEGAL OPTIONS: In the morning informal group, parties exchanged general views on expectations for Durban. While some supported further discussions on legal options to address an AWG-LCA outcome, others said discussion on legal options and a new legally-binding agreement is premature. Some emphasized that agreement on substance must come before considering the legal form.

Some parties observed that the group's mandate should be to present a range of legal technical options, while others suggested focusing on identifying elements of a possible legally-binding agreement, including the establishment of a roadmap for "transition." A group of parties proposed that a mandate should

be agreed to in Durban, on establishing a process for developing a legally-binding agreement, including mitigation commitments and actions by all parties.

Other parties expressed willingness to consider a second commitment period under the Kyoto Protocol, provided that a comprehensive legally-binding framework adaptable to evolving circumstances is also considered. Supporting a single comprehensive legally-binding instrument including all major emitters, one party observed that COP decisions could be a useful outcome for moving forward beyond 2012.

Many developing countries underscored a rule-based legally-binding multilateral regime as a priority. One party cautioned against agreeing on a single instrument that would not promote a top-down approach, underscoring adaptation, capacity-building and finance as key areas for an outcome.

Many developing parties highlighted that the outcome in Durban should be based on the BAP and the Convention. One developed country supported the adoption of a legally-binding agreement with mitigation commitments from all major economies, but noted that the outcome in Durban and "aspirations" must be realistic. He also said parties have different interpretations of the BAP and that the Durban outcome should be based on the Cancun Agreements. Discussions will continue.

DEVELOPING COUNTRY NAMAS: In the afternoon informal group, delegates addressed the role and design of the NAMAs registry. Many parties expressed a common view that the registry should be web based and facilitate the matching of NAMAs seeking support.

On the facilitative matching of support, some parties suggested different options, including, *inter alia*: an online searching and matching system; the establishment of a panel or body to overview the matching process and/or serve the facilitation for available support; and integrating the registry into the Green Climate Fund.

A group of parties said the registry should not become a prior requirement or bottleneck to access funding, including from the Green Climate Fund. Many parties stressed the need for the registry to promote and enhance capacity building, respect the diversity of NAMAs, and for a design that is not "burdensome." Many parties suggested information that should be included in the registry, including support required. Some suggested the preparation of guidelines or templates for the submission of information, but others expressed reservations, emphasizing that flexibility should be prioritized.

On the way forward, some developing countries said that discussions should be sequenced in order to reach a decision in Durban. One developed country suggested a workshop for countries and stakeholders on the support side, such as NGOs and the private sector, as a means for sharing information on what is needed to match support. A non-paper will be prepared by the co-facilitators.

Parties then addressed a non-paper presented by the co-facilitators on possible elements on modalities and procedures for ICA. Some parties welcomed the draft text, with many pointing to missing elements. Some parties recalled that, according to the Cancun Agreements, ICA should be based

on the biennial update reports. A number of parties pointed to further streamlining objectives and principles with the Cancun Agreements. Many parties highlighted that sequencing should be clearly laid out and comprise of consultation and then analysis. A number of developing countries highlighted the need for engagement with experts to be interactive, while some expressed concern about the “intrusion” of in-country visits by experts. Some countries did not agree to defining the frequency based on a party’s share of global GHG emissions and their capabilities. Some countries said ICA should be a technical process rather than a political one. An updated version of the non-paper will be prepared.

ADAPTATION: The informal group met in the afternoon to discuss the way forward. Parties were invited to comment on a compilation of inputs from parties. One developed country party noted that some of the submissions had altered the structure of the Bonn facilitator’s note. Parties held divergent views over whether to restructure the text. Some parties reiterated the need for a draft negotiating text to be agreed to at this meeting so as to ensure that adaptation is given emphasis in Durban. Parties agreed that the facilitator should consolidate submissions into a non-paper to form the basis for discussions.

AWG-KP CONTACT GROUP AND SPIN-OFF GROUPS

ANNEX I PARTIES’ FURTHER COMMITMENTS: In the morning contact group facilitators reported on discussions in their spin-off groups and parties discussed political issues related to producing QELROs in time for a Durban decision.

On Annex I emission reductions, facilitator Charles reported that differences exist on whether to address Option B (consequential amendments). He further noted “some recognition” by parties of the political nature of the decision on which QELROs will be on the table in Durban.

On LULUCF, facilitator Iversen highlighted discussions on natural disturbances and a cap for forest management.

On Flexibility Mechanisms, facilitator Barata noted progress on streamlining the text, but underscored divergent views on how to continue. During discussions, a number of developed countries emphasized the desire to preserve a rules-based system, but noted the need for the second commitment period to be seen in the context of a global framework including action by all major emitters. VENEZUELA called for preserving the rules-based system under the Kyoto Protocol and building on those rules through the Bali Action Plan and the AWG-LCA track.

The EU questioned the value of a common accounting framework if nobody would commit to it and called for a realistic conversation about the second commitment period, given that three parties have stated their intention not to inscribe their pledges as QELROs in Annex B. CHINA opposed linking discussions under the AWG-KP with actions by major emitters.

The Climate Action Network, for ENGOs, outlined a five-step plan to increase ambition, including closing LULUCF and AAU loopholes and moving to the top end of party pledge ranges prior to Durban. IETA, for BINGOs, called for sending a “strong signal” on the continuation of the CDM.

OTHER ISSUES: The spin-off group on Chapter IV (methodological issues) met in the morning. Parties reviewed options for language on greenhouse gases, common metrics, application of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and cross-cutting issues. Parties reviewed the two options contained in the revised proposal by the Chair, with many noting that agreement on one option is contingent on whether to include nitrogen trifluoride in the coverage of the quantified emission limitation and reduction commitments for the second commitment period. On the proposed method of work, parties discussed the relationship between issues under Chapter IV and Chapter I (Amendments to the Kyoto Protocol) and a need to proceed with discussions in an integrated manner.

POTENTIAL CONSEQUENCES: In the morning spin-off group, parties discussed the outstanding issue on whether to establish a permanent forum as a means for parties to report and evaluate impacts and consequences of policies and measures or to use existing channels, including national communications. Some parties expressed an interest in finding convergence between the two options, while other parties stated that the options are binary. Parties decided not to engage in any drafting of text and closed the session, with meeting notes sent to Durban “as-is.”

IN THE CORRIDORS

A number of delegates meeting in the informal groups expressed their sense of *déjà vu* with the “consolidating and reconsolidating text” process aimed at arriving at a draft negotiating text in his group: “It seems counterproductive,” one said. “The texts are ballooning, instead of shrinking, it’s never ending.” Agreeing with the sentiments, another added “I shut my eyes and I feel like I’m back in Barcelona in 2009 and in Tianjin this time last year.”

In the shared vision informal group, a new facilitator’s note was distributed, which delegates reviewed and provided comments on. Delegates emerging from the meeting room expressed mixed feelings regarding the text. Some felt that it was a good effort by the facilitator in consolidating the various submissions, while others expressed more serious doubts and concerns. One seasoned negotiator said “this text goes beyond what was agreed to in Cancun.” Delegates hoped that the renewed effort by the facilitator to come up with a new text would gain wider approval.

In the afternoon, many stakeholders appeared to be excited about participating in the open-ended informal consultation with the COP 17 Presidency, building on the consultation efforts undertaken by the COP 16 Presidency. However, one NGO representative was less hopeful. “I worry that these consultations are now routine. We heard great ideas today, but I just hope that they will be taken forward.”



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