

**Ad Hoc Working Group on Long-Term Cooperative Action under the Convention
(AWG-LCA)**

Fourteenth session, part four – Third meeting of the AWG-LCA Contact Group

**Introductory remarks by the Chair, Mr. Daniel A. Reifsnyder
on the update of the amalgamation document¹**

Durban, Wednesday, 7 December 2011

Dear Colleagues, Good Morning!

I welcome you to the third meeting of our contact group on agenda items 3, 4, 5 and 6.

As mentioned in the Plenary meeting on Monday, I have prepared an updated version of the amalgamation of the draft texts emerging from the continued negotiations in the 14 informal groups under our contact group. This updated version is contained in document FCCC/AWGLCA/2011/CRP.38. We also have before us document FCCC/AWGLCA/2011/CRP.37/Add.1.

This meeting today is meant briefly to introduce this update and to give you an overview of its structure and main content. I will also suggest possible ways forward based on my discussions with facilitators.

This will be a brief meeting this morning, as the presidency will hold a ministerial Indaba at 11.00 a.m.

Introducing the update document

As in the previous amalgamation the overall structure is based on the structure of the agenda of the AWG-LCA at its fourteenth session and the work undertaken in the informal groups under the AWG-LCA contact group.

Annexes of the draft texts resulting from the work of the groups are again placed at the end of this document and the paragraph numbering within the texts and annexes has remained unchanged.

Substantive comments

Let me give you an overview of the content as well as my reflections and suggestions on the way forward to finalizing our work.

Chapter I: Shared vision

Since Saturday, Parties have made further efforts to advance on the Chapter on Shared Vision. I must report to you, however, that there has been little progress toward a commonly shared or streamlined text.

In yesterday's stock-taking Plenary of the COP I mentioned Shared Vision as an example of an issue that we may not be able to resolve here in further work in the informal group.

Several suggestions have been made by Parties on how to take this work forward. Some Parties urge that all the issues contained in this section be forwarded for further work next year - possibly in a dedicated, more focused process. Others urge that we reiterate in particular the need to agree on a long-term global goal and a time frame for global peaking.

I believe that this is an issue that would benefit from consultations led by ministers to help determine the best way forward.

¹ FCCC/AWGLCA/2011/CRP.38.

Chapter II: Mitigation

The Chapter on Mitigation is sub-divided in line with the sub-items of our agenda item 3.2. enhanced action on mitigation.

1. Mitigation by developed country Parties:

The text on developed country mitigation addresses three areas: biennial reports, international assessment and review, and matters relating to paragraphs 36-38 of the Cancun Agreements.

In each of these areas, the updated amalgamation presents texts in the form of a draft decision. In the case of biennial reports and international assessment, the amalgamation also contains annexes, covering the technical elements of guidelines and modalities respectively. And let me say at the outset that it is my understanding that the presence or absence of brackets in these texts should not be taken to signal areas of agreement or disagreement.

In addition to the texts in the amalgamation, the informal groups have forwarded tables that, while not a basis for negotiation, are intended as a tool to help understand options that may not clearly be delineated in the text. These can be found on the secretariat's website.

In each of these areas, more work is clearly needed. I will provide my assessment on each in turn.

On matters related to paragraph 36-38 of the Cancun Agreements, there are several issues arising from the three texts where I believe that guidance from Ministers will be required.

- The first of these issues relates to clarification of pledges, and a related question of whether these pledges should be translated into other forms. While views differ on the specific activities and timeframe for completion, there is convergence around the need for a continuing process to clarify pledges. However, there is no convergence on translation of these pledges.
- Some Parties wish to recognize and quantify the ambition gap, while others see no need. I believe the way forward may be additional work next year, but Ministerial guidance will also be required on the timeframe for completion and whether this work should focus on the actions of one group of Parties or more broadly.

Similarly on the matter of accounting, some Parties call for the development of common accounting rules to guide reporting and assessment of progress toward mitigation targets. Others consider that accounting of targets should be based on national policies and circumstances. Again, my assessment is that a way forward may be found through a work programme to examine specific aspects of accounting for targets, drawing upon ongoing work to clarify pledges.

In the area of biennial reports, my understanding is that the two biggest remaining issues are whether to adopt guidelines at this session, or to defer adoption to next year, and the date of submission of the first biennial reports. I believe that these issues as well as remaining unresolved technical issues can be resolved in our ongoing work in the informal group and do not need to be referred to ministers.

On international assessment and review, I understand that there are two major stumbling blocks – first, whether the process involves a compliance assessment and second the accounting framework for the IAR. There are also unresolved technical issues in the text.

Based on this assessment of where we stand, I believe that work should continue as follows:

On matters related to paragraph 36-38 of the Cancun Agreements, I believe that questions related to clarification of pledges, accounting for targets and ambition should be taken up in a consultation led by ministers. I believe that a way forward in each of these areas may be found through elaboration of elements and timeframes for a work program.

I recommend that work to finalize text on biennial reports continue under the guidance of the co-facilitators, with the goal of reaching agreement on guidelines that can be adopted at this session. Delegates should proceed with the understanding that the biennial reporting guidelines can be revised in the future to reflect any decision on accounting.

I also believe that co-facilitators should continue to work on international assessment and review, with the exception of references in the text to a compliance procedure. Some Parties consider a process to determine compliance a necessary component of ensuring comparability of efforts, others consider it

fundamentally incompatible with the nature of their pledges. This is a matter on which minister-led consultations may be needed.

2. Mitigation by developing country Parties:

The amalgamation contains four areas related to developing country mitigation: matters related to paragraphs 48 – 51 of the Cancun Agreements, biennial update reports, international consultation and analysis and registry. As with respect to developed country mitigation, the paper contains text in all four areas in the form of a draft decision, and corresponding annexes on guidelines for these reports and draft modalities and procedures. And let me also say here that it is my understanding that the presence or absence of brackets in these texts should not be taken to signal areas of agreement or disagreement.

The informal group has also forwarded tables that, while not a basis for negotiation, are intended as a tool to help understand options that may not clearly be delineated in the text. These can be found on the secretariat's website.

As with mitigation by developed countries, more work on all four of these areas is necessary.

Under matters related to paragraphs 48 – 51 of the Cancun Agreement, Parties generally agree on the need to continue a process to understand the diversity of mitigation actions, but do not agree on the steps or inputs. There are also questions regarding how to enhance mitigation effort and whether a common approach to measuring the effects of mitigation actions is needed.

On biennial update reports, there appear to be three major options: adoption of descriptive guidelines that elaborate on the elements agreed in Cancun, adoption of guidelines that reference relevant sections of the existing guidelines for national communications of Parties not included in Annex I, and deferral of work to next year.

On international consultation and analysis key issues are scope, frequency, clarification of the process, and the flexibility accorded to developing countries.

Finally, the registry text is quite mature, with very few substantive issues remaining.

I therefore suggest the following approach for continued work in these areas.

I believe that matters related to paragraphs 48 – 51 of the Cancun Agreement should be taken up in minister-led consultations.

My assessment is that co-facilitators should continue with their work on reporting guidelines in the informal group. To ensure balance with progress on developed country biennial reports, the focus should be on agreeing elements of descriptive guidelines that can be adopted at this session.

Although there are a number of unresolved issues that remain under International Consultation and Analysis, and the Registry, I believe that co-facilitators should continue to work on them in the informal group.

3. REDD-plus Finance:

The text in Sub-section C on REDD Plus Finance remains unchanged from what Parties saw last Saturday. However, Parties are engaged in constructive discussions on substantive decision language.

I am confident that this informal group will be able to reach an agreed outcome and I will urge that it continue its efforts.

4. Cooperative sectoral approaches and sector-specific actions:

The current text contained in sub-section D reflects the revisions resulting from the intense work of the Parties on cooperative sectoral approaches and sector-specific actions. Parties made considerable progress in their consultations on the three main areas under consideration - the general framework, agriculture, and international aviation and shipping, where the options are framed in this updated amalgamation much more clearly than in the previous Saturday version.

- In my view, this agenda item may benefit from consideration by Ministers, who may wish to consider whether there is yet room to establish a programme of work on agriculture.
- At the same time Ministers may wish to consider whether to establish a process for further developing elements of a general framework for cooperative sectoral approaches and sector-specific actions and how it will apply to the various sectors, including international aviation and maritime transport.

5. Various approaches:

Parties have made great efforts to progress on the work on various approaches to enhance the cost-effectiveness of, and promote, mitigation actions.

I believe that the informal group should continue to work today to agree on an outcome or to develop clean options that can be referred for further consideration in minister-led consultations. Parties should also consider how best to reflect issues that should be considered if a work programme can be established in this area.

6. Response measures:

With regard to Economic and Social consequences of Response measures, our facilitator prepared, at my direction, a consolidated text on the basis of the six proposals from Parties contained in the addendum to the Saturday amalgamation, CRP.37/Add.1.

Parties discussed the consolidated text in the informal group. My understanding is that it received support from some Parties but that it was not accepted by others. Because of this, and despite the strong urging of some Parties at our meeting on Monday, there is still only a facilitator's text that was not appropriate to include in this updated amalgamation.

At the same time, it appears that there are positive developments in the informal consultations being undertaken by the Chairs of the SBSTA and SBI on "the impact of the implementation of response measures of the subsidiary bodies, with the objective of developing a work programme under the SBSTA and the SBI to address these impacts, with a view to adopting, at the 17th session of the COP, modalities for the operationalization of the work programme and a possible forum on response measures".

I am hopeful that progress in that area may help us achieve progress in the continuing efforts of the informal group under the AWG/LCA. In my view, work should continue today in the AWG/LCA on this matter.

Chapter III: Adaptation

Work on the text on the Adaptation Committee advanced considerably. Parties were able to agree to most of the text thus getting one step closer to bringing the Adaptation Committee to life here at Durban.

I understand that there are still a number of outstanding technical issues, in particular in the annex which spells out indicative activities for the Adaptation Committee to undertake. Those issues, I believe, should continue to be addressed in the informal group today.

In addition, there are two outstanding issues related to the issue of the membership of the Adaptation Committee and to whether it should report directly to the COP or to the COP through the subsidiary bodies. I believe that these outstanding issues would benefit from minister-led consultations.

Chapter IV: Finance

Work is progressing well in the informal group on finance.

I believe that work should continue in the informal group today before assessing whether any of the issues with which it is dealing should be taken up at a higher level.

Chapter V: Technology

The informal group on technology has made significant progress in the last several days and is very close to finalizing its work.

The group managed to narrow down options on the selection process of the host of the Climate Technology Centre and Network (CTCN) and the governance arrangement for the CTCN.

The group has also advanced significantly on the evaluation criteria for selecting the CTCN which Parties will continue working on but owing to time constraints it has not been possible to include these more advanced evaluation criteria in the revised amalgamation document.

The group also elaborated the funding arrangement of the CTCN.

On the question of intellectual property rights I remind Parties of the consultations currently being undertaken by the Presidency on that issue, and suggest that Parties focus on completing the necessary technical work to launch the CTCN in Durban while awaiting the outcome of these consultations.

I am confident that Parties will be able to resolve the remaining issues in the informal group..

Chapter VI: Capacity Building

The text on capacity-building has been further refined in the informal group and in informal consultations among Parties.

There are very few outstanding points, and I believe they can be resolved in further consultations today in the informal group.

Chapter VII: Review

On the review, Parties worked among themselves and came up with further structuring and streamlining of the text.

There are mainly two outstanding issues, which - as I outlined yesterday in the informal plenary of the COP - would benefit from consideration in ministerial-led consultations:

1. First, the scope of the review: Whether it should be limited to the adequacy of the global temperature goal and progress toward achieving it as agreed in Cancun or whether it should be defined more broadly.

2. Second, the question of who should conduct the review: Whether it should be conducted by an expert review body or by the existing Subsidiary Bodies.

Chapter VIII: Legal Options

Legal options continues to be an important but difficult issue. While recognizing that there are diverging views the group has worked constructively to reflect the differing options that have been raised by Parties in a clear and succinct manner.

What is before you is an updated version of the reflection of different options that were presented in the previous version of the amalgamation.

Some Parties noted that they did not see this group as the place to discuss future process issues and saw this conversation happening elsewhere. Many Parties also made links between this issue and the outcomes of the AWG-KP.

As several Parties have indicated, the question of the future of the multilateral rules-based regime is now being taken up in the Presidential Indaba process and I believe that it is indeed in that broader Presidential process where this issue can now be advanced.

Chapter IX: Other matters

The texts concerning Annex I Parties undergoing the transition to a market economy and Parties whose special circumstances are recognized by the COP, remain unchanged from those that appeared in the Saturday amalgamation document. I will urge that discussions continue in the informal group today in an effort to find a way forward that is acceptable to all Parties

Remarks on the way forward

As mentioned in the COP informal plenary yesterday, my goal in producing this updated amalgamation document and in this meeting is to identify areas that may need to be considered at a higher level, and what the options seem to be, and to suggest how we may be able to find common ground.

As I have indicated, I believe that it is necessary to continue discussions in a number of the informal groups and that a number of issues will benefit from further consideration in consultations led by ministers.

I will consult with the Presidency on these issues to determine how best to proceed with them, and I will ask the informal groups in the other areas mentioned to continue their work today.

To help you identify the issues that would benefit from further consideration in ministerial-led consultations I prepared a one page-overview that was distributed in the room and you should have in front of you.²

{Opportunity for questions and interventions}

I thank you for your interventions.

I will reflect the views you have expressed in my report to the COP Presidency later today.

We are now eager to continue finalizing the remaining work before us.

This meeting is adjourned.

² AWG-LCA CHAIR'S VIEWS OF AREAS THAT WOULD BENEFIT FROM FURTHER CONSIDERATION IN MINISTERIAL-LED CONSULTATIONS, AWG-LCA Contact Group, 7 December 2011, 10 a.m. This indicative list is reproduced in the annex to these remarks.

Annex

AWG-LCA Chair's views of areas that would benefit from further consideration in ministerial-led consultations

*7 December 2011
AWG-LCA Contact Group
10am*

Shared vision

- Global goal and a timeframe for global peaking and their context

Mitigation developed countries

- Clarification of pledges, accounting, and ambition
- Compliance

Mitigation developing countries

- Matters related to paragraphs 48-51 of the Cancun Agreements

Cooperative sectoral approaches

- Possible work programme on agriculture and process to develop general framework

Adaptation Committee

- Composition
- Reporting line

Review

- Scope of the review
 - Body to conduct the review
-