**December 2, 2011**

**AWG-LCA**

**Co-chair:** Drafted non-paper all in brackets, to agree what is going to be include on the LCA text to be ready Saturday. Want to get a sense that this is enough to considered as basis for negotiation. Next week, negotiation. The “Chapeau” includes a description of earlier decisions. First preamble paragraph is very important.

New proposal from a party including as financing source: alternative joint mitigation mechanisms.

Paragraph 2 includes the list for financing option for REDD+, understanding that some parties don’t agree on having a list, but many do. Based on the way is phrased, it is up to the developing country party to define with financial mechanism is more adequate.

Par 3 and 4 are operational: Technical paper exploring the sources of financing, including suitability of specific sources, including institutional arrangements and elements for modalities and procedures for payments.

The text tries to reflect parties views in a balanced way.

**Brazil (Thelma):** Text is a good shot, it captures most of elements that want to see. On p 2 some countries are concerned with market-based (flagging that not all kind of market based mechanisms are accepted). It also may give the impression that all funds go to the same pot. The technical paper could also address the use of different sources for different activities. Also could incorporate potentially analysis of the process for allocation of the funds for developing countries.

**Bolivia:** Agrees that is a good starting. Some concerns: while there is the mention of the alternative joint mitigation and adaptation mechanism, it should be clear that it is oriented to integral forest management. Not sure if is to be included for result-based. Bolivia’s proposal is oriented to the development of collective actions. Also new methodological point of views, not sure if RELs and RLs are the best way. Alternative mechanism need to be really alternative to the REDD+ approach.

**EU:** Very useful paper. Like overall aim and context, and linkages in par 1. Need to mention the Convention. Seems that market-based and alternative mechanisms are opposed, but as we don’t understand the alternative mechanism, we cannot said this from the beginning. Linkages with UNFFF. Like Brazil, considers important to consider how resources and finances are used.

**Singapore:** Likes paper. Like Brazil and EU would like a bit more explanation on delivery mechanisms.

**Australia:** Par 2, agrees to keep it less controversial, add are available and can after alternative joint mechanism. There are different views on performance-based, so it may be early for the Sec to include in the technical paper that should be focus on exploring the characteristics of different financing options.

**Sudan:** Needs to mentions sustainability and equitability, and specifically mentions no-offsets.

**Thailand:** Financing adequate, sustainable and predictable.

**Philippines:** Good basis for negotiations. It will be important to learn lessons from readiness and voluntary REDD+ related activities for full implementation of REDD+. There should be a process where these lessons are learned and synthesized, maybe this should be included in the workshop and technical report.

**Indonesia:** Par 1, ref of par 73 of Cancun decisions, fully MRV is only applied for full implementation. Share the concern on type of markets, technical paper should look at this issue. If work

**PNG:** Good and balanced initial non-paper.

**India:** Appreciates the balance text. Taken note of the submissions. When referring to Cancun agreement paragraphs, there should be also p 70. P. 3 requires a little more elaboration. Market-based mechanism.