



## UNFCCC COP-8 HIGHLIGHTS THURSDAY, 24 OCTOBER 2002

Delegates to the Eighth Conference of the Parties (COP-8) to the UNFCCC met in three sessions of the SBI and two sessions of the SBSTA. The SBI addressed: Annex I national communications; the financial mechanism; capacity-building; a request from a group of countries of Central Asia and the Caucasus, Albania and the Republic of Moldova (CACAM) regarding their status under the UNFCCC; administrative and financial matters; a proposal by Croatia on land use, land-use change and forestry (LULUCF); and administrative and financial matters. The SBSTA considered: methodological issues; issues relating to hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs); research and systematic observation (R&SO); the IPCC Third Assessment Report (TAR); and "good practices" in policies and measures (P&Ms).

Contact groups on P&Ms, R&SO, the Consultative Group of Experts (CGE), and afforestation and reforestation activities under the CDM also convened in the evening. Informal contact groups also met.

### SBSTA

**METHODOLOGICAL ISSUES: Activities implemented jointly:** The Secretariat introduced a synthesis report, noting the submission of five new AIJ projects, bringing the total number of projects to 157.

**LULUCF under the CDM:** The FAO reported on a recent workshop on forest-related definitions that aimed to establish a framework for a new carbon terminology rather than to standardize definitions. MALAYSIA stressed ensuring the environmental integrity of CDM projects. BRAZIL supported developing "a common language." The US and EU supported the Colombian tonne-year accounting approach. Opposing Canada's SBSTA-16 proposal to change the baseline from 1989, the EU stressed its support for definitions set out in the Marrakesh Accords. COLOMBIA said the 1989 baseline could impede projects. JAPAN said that rules for sinks under the CDM should not be unnecessarily restrictive, and proposed that definitions and modalities should be agreed as a package at COP-9. SENEGAL, for the Africa Group, said definitions and modalities should be flexible and applicable to the local ecological context. She stressed links with combating poverty and desertification. TUVALU, for AOSIS, stressed the need for social and environmental project impact assessments. Chair Thorgeirsson said a contact group would be convened under Thelma Krug (Brazil) and Karsten Sach (Germany).

**Scientific and methodological aspects of the Brazilian proposal:** The Secretariat highlighted a recent expert meeting. BRAZIL highlighted attribution of causes and consequences when assessing contributions to climate change. Opposed by SAUDI ARABIA and supported by MEXICO and the EU, he

recommended renewing SBSTA's mandate on this issue. The US, CANADA and AUSTRALIA expressed concern about the lack of rigour of research on attribution. Consultations will be conducted by Murray Ward (New Zealand) and Gylvan Meira Filho (Brazil).

**Issues relating to HFCs and PFCs:** On the relationship between efforts to protect the ozone layer and the global climate system, the IPCC and Technology and Economic Assessment Panel (TEAP) of the Montreal Protocol reported on the development of a Special Report on practices and technologies to assist Parties with issues relating to alternatives to ozone-depleting substances. Many Parties supported a single integrated report to be completed by COP-11. AUSTRALIA stressed that future work should be policy neutral, not prescriptive. Richard Bradley (US) will conduct consultations on draft SBSTA conclusions and a draft COP decision.

**Research and systematic observation:** Chair Thorgeirsson said a substantive dialogue with the IPCC and international research body representatives on research recommendations provided in the TAR would be held during a side event on Monday, 28 October. The SBSTA heard presentations and research updates by the World Climate Research Programme, the International Geosphere-Biosphere Programme, the International Human Dimensions Programme and the Global Climate Observing System (GCOS). Parties exchanged views on priority topics, with Chair Thorgeirsson noting convergence on: impacts, vulnerability and adaptation; adaptive capacity and adaptation options; risk assessment and management; resource management in the context of climate change; ways to deal with uncertainty; and stabilization pathways. On systematic observation, he noted support for a voluntary donor fund for GCOS. He said a contact group will be convened by Sue Barrell (Australia) and S.K. Srivastav (India).

**IPCC TAR:** Several Parties supported exploring ways to use information contained in the TAR. The EU, opposed by the US and MALAYSIA for G-77/CHINA, proposed an agenda item on the methodological issues relating to the stabilization of greenhouse gas emissions. Chair Thorgeirsson said he would prepare conclusions.

**P&Ms:** Chair Thorgeirsson reported on intersessional consultations, noting agreement that the next steps should include strengthening web-based approaches for exchanging information and further work on developing and sharing self-evaluations of P&Ms. A contact group co-chaired by Peer Stiansen (Norway) and Suk-Hoon Woo (Republic of Korea) was convened.

### SBI

**ANNEX I NATIONAL COMMUNICATIONS:** The EU requested the SBSTA to consider including reporting on P&Ms and proposed that the fourth national communications be submitted on 4 January, 2006, to coincide with the reporting process on demonstrable progress. CANADA, supported by the

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Emily Boyd <emily@iisd.org>, Michael Lisowski <michaell@iisd.org>, Lisa Schipper <lisa@iisd.org>, Malena Sell <malena@iisd.org>, and Richard Sherman <rshearn@globesa.org>. The Digital Editors are Franz Dejon <franz@iisd.org> and Leila Mead <leila@iisd.org>. The Editor is Pamela S. Chasek, Ph.D. <pam@iisd.org> and the Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Operations Manager is Marcela Rojo <marcela@iisd.org> and the On-Line Assistant is Diego Noguera <diego@iisd.org>. The Sustaining Donors of the *Bulletin* are The Netherlands Ministry of Foreign Affairs, the Government of Canada (through CIDA), the United States (through USAID), the Swiss Agency for Environment, Forests and Landscape (SAEFL), the United Kingdom (through the Department for International Development - DFID), the European Commission (DG-ENV), the Danish Ministry of Foreign Affairs and the Government of Germany (through German Federal Ministry of Environment - BMU, and the German Federal Ministry of Development Cooperation - BMZ). General Support for the *Bulletin* during 2002 is provided by the Ministries of Foreign Affairs and Environment of Finland, the Government of Australia, the Ministry of Environment and the Ministry of Foreign Affairs of Sweden, the Ministry of Foreign Affairs and Trade of New Zealand, the Ministries of Foreign Affairs and Environment of Norway, Swan International, the Japanese Ministry of Environment (through the Institute for Global Environmental Strategies - IGES), and Japan Ministry of Economy, Trade and Industry (through the Global Industrial and Social Progress Research Institute - GISPRI). The *Bulletin* can be contacted by e-mail at <enb@iisd.org> and at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted by e-mail at <info@iisd.ca> and at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Director of IISD Reporting Services. Electronic versions of the *Bulletin* are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca>. Satellite image provided by The Living Earth, Inc. <http://livingearth.com>. For information on the *Earth Negotiations Bulletin* or to arrange coverage of a meeting, conference or workshop, send e-mail to the Director, IISD Reporting Services at <kimo@iisd.org> or call to +1-212-644-0217.



US, said that it would be premature to undertake major revisions to the guidelines. INDIA emphasized strengthening the reporting process for Annex I Parties. Chair Estrada said he would produce recommendations for the SBI based on consultations with delegates.

**FINANCIAL MECHANISM:** The GEF reported agreement on the third replenishment and approval of the administrative and operational procedures for the new climate change funds. The Secretariat introduced the report on the review of the financial mechanism highlighting: the transparency of decision making; adequacy, predictability and disbursement of funds; the amount of resources for developing countries; and the sustainability of GEF projects. Several Parties stressed streamlining the GEF project cycle and operationalizing the Special Climate Change and LDC Funds.

IRAN, for the G-77/CHINA, expressed concern about the conditionality of GEF funding. TUVALU and ERITREA noted problems in the communication process between the financial mechanism and the implementing agencies. KENYA called for increased assistance for adaptation projects and the development of climate policies and strategies. CANADA commended the GEF on its adaptation strategy. BANGLADESH expressed concern about the uneven regional distribution of funding. Chair Estrada cautioned against possible inconsistencies between COP guidance to the GEF and GEF decisions on modalities.

The GEF said that work on operationalizing the LDC Fund was underway. He noted that the GEF is prepared to adopt more detailed guidance on impacts and adaptation activities, if instructed to do so by the COP. He said resource constraints could be alleviated if projects addressed several conventions. The WORLD BANK, as one of the three implementing agencies of the GEF, informed delegates about the increased efficiency of its work, highlighted some possible sources of inefficiency, and noted that its administration fee is relatively low. Chair Estrada said he would prepare a text on the review of the financial mechanism.

On funding under the UNFCCC, the GEF noted that its current operational procedures would apply to the Special Climate Change Fund until the COP provides additional guidance. He stressed the importance of identifying sources of financing for this Fund. Chair Estrada requested the Secretariat to prepare guidelines for consideration by the SBI. On additional guidance to the operating entity of the financial mechanism, UGANDA, supported by GHANA, INDIA, SAUDI ARABIA and BANGLADESH, called for capacity-building for national focal points and for technology transfer. Chair Estrada requested the Secretariat to prepare a draft decision for the SBI's consideration.

**CACAM:** Chair Estrada noted a lack of consensus on the proposal from the CACAM group of countries, but said that Parties agree that the countries should be able to access financial resources provided for in UNFCCC decisions. UZBEKISTAN, for the CACAM group, proposed the definition "developing countries and other countries not included in Annex I." CANADA, with the EU, and opposed by INDIA, said the proposed adjustment in the definition would be required for the CACAM group to gain representation on the Expert Group on Technology Transfer.

**ADMINISTRATIVE AND FINANCIAL MATTERS:** The Secretariat presented its reports on administrative and financial matters. CANADA, supported by SWITZERLAND and BULGARIA, urged Parties to ensure early payment of contributions. He requested the Secretariat to provide its budget requirements for the activities relating to implementation of the Marrakesh Accords. Chair Estrada will draft conclusions on this issue.

**OTHER MATTERS:** CROATIA noted the proposal for its forest cap and suggested that the issue be deferred pending the outcome of negotiations in the SBSTA. CANADA, opposed by the EU, supported the Croatian proposal and requested further information on the assessment of the forest cap.

**CAPACITY-BUILDING:** BULGARIA, on behalf of the Central Group of Eleven (CG-11), called for further consultations to develop a future framework for the economies in transition. TANZANIA, for G-77/CHINA, expressed concern that the COP-7 decision had not been implemented by the GEF and its developed country partners. Discussions continued into the night.

#### CONTACT GROUPS

**P&MS:** Co-Chair Stiansen asked for views on possible future actions. Several developing country Parties objected to voluntary information exchange on developing country P&Ms, and expressed concern at the lack of information presently available on adverse effects. Parties agreed on the need for further work on assessment methodologies.

**CGE:** Chaired by José Romero, this group discussed the improvement of guidelines for the preparation of national communications from non-Annex I Parties. Parties agreed to use text prepared by the G-77/China as the basis for discussion. SBI Chair Estrada underscored the need for clear indications within the guidelines of the COP's intentions with regard to additional financial inputs by the GEF. Parties discussed which articles to take into account in the guidelines' objectives.

**R&SO:** Co-Chairs Barrell and Srivastav led discussions, which focused on the importance of funding to achieve improvement in systematic observation systems. Several Parties supported the Australian proposal for a GCOS-administered fund directed at high-priority needs, to be further discussed in conjunction with the forthcoming report on adequacy of observation systems. The co-chairs will provide draft conclusions for discussion Friday.

**LULUCF UNDER THE CDM:** Co-Chairs Krug and Sach led procedural discussions on definitions and modalities for afforestation and reforestation activities under the CDM. Delegates agreed to focus on technical issues. Some Parties expressed concern regarding the lack of consensus on definitions.

**REVIEW OF METHODOLOGICAL WORK OF INVENTORY GUIDELINES:** Chaired by Harald Dovland (Norway), the informal contact group on methodological review agreed on outstanding issues and draft conclusions.

#### IN THE CORRIDORS

As the heavy smog hovering over Delhi dissipated Thursday, delegates aired their views in numerous plenary sessions and contact groups. Many observers nevertheless expressed concern that the potential content of the Delhi Declaration remained clouded in secrecy.

#### THINGS TO LOOK FOR TODAY

**SBSTA:** The SBSTA will meet at 10:00 am in Hall 5 to consider: cooperation with relevant international organizations; Article 6 (education, training and public awareness); issues relating to cleaner or less greenhouse gas-emitting energy; and issues relating to implementation of Protocol Article 2.3 (adverse effects of P&Ms).

**SBI:** The SBI will meet at 10:00 am in the Main Plenary Hall to address: adverse effects; LDCs; and arrangements for intergovernmental meetings.

**COP PLENARY:** The COP will meet at 3:00 pm in the Main Plenary Hall to consider follow-up to the WSSD and the report of the CDM Executive Board. The plenary will then hold an exchange of views and provision of inputs on the Delhi Declaration in an informal setting.

**CGE:** This contact group will convene at 5:00 pm in Hall B to continue discussions on the improved guidelines for non-Annex I national communications.

**ARTICLE 6:** This contact group will meet in Hall 2 at 6:00 pm.

**LULUCF UNDER THE CDM:** This contact group will meet in Hall 4 at 8:00 pm.