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 proposals 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
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.