



UNFCCC COP-9 HIGHLIGHTS: FRIDAY, 5 DECEMBER 2003

On Friday, delegates to COP-9 convened in several contact groups to deliberate draft conclusions and COP decisions. SBI contact groups discussed non-Annex I national communications, capacity building, the Special Climate Change Fund (SCCF) and progress on implementation on decision 5/CP.7 (implementation of UNFCCC Article 4.8 and 4.9 on adverse effects). SBSTA contact groups discussed research and systematic observation (R&SO), the IPCC Third Assessment Report (TAR), good practice guidance on LULUCF, and sinks in the CDM. A contact group convened by the COP on Annex I national communications also met.

COP CONTACT GROUPS

ANNEX I NATIONAL COMMUNICATIONS: This contact group, co-chaired by José Ovalle (Chile) and Michael Zammit-Cutajar (Malta), discussed a draft COP decision. ARGENTINA noted omissions in the draft decision regarding the scope of the issues, the extent of delay in submission of documents, problems in the implementation of P&Ms, and increasing emissions levels. He outlined problems of incompatible methods for making projections and of grouping together net and gross emissions. The US said references to commitments under the Protocol may be premature, questioned the interpretation of Article 4.2 (a) and (b) (fulfillment of commitments by developed country Parties) and objected to the focus on international aviation, noting that discussion of this issue should await the outcomes of SBSTA's discussions.

Parties also addressed holding a workshop for facilitating timely submission of fourth national communications. Opposed by the EU, the G-77/CHINA suggested removing reference to Article 4.2 throughout the draft decision, noting that this was judgmental. The US suggested this could address many of the concerns expressed in the group. Parties will continue deliberations in informal consultations on Monday, 8 December.

SBI CONTACT GROUPS

NON-ANNEX I NATIONAL COMMUNICATIONS: This contact group discussed the Co-Chairs' revised draft conclusions on the consideration of the fifth compilation and synthesis of initial national communications, and on work of the CGE. Parties discussed whether to qualify how many non-Annex I Parties have submitted projects for funding, with the G-77/CHINA suggesting removing reference to "many" non-Annex I Parties. The EU said that since not all non-Annex I Parties have submitted national communications, absence of qualification would be misleading. Addressing the urgency of submission of initial national communications, delegates discussed whether submissions should be "invited," "urged" or "encouraged."

Parties deliberated whether the preparation of national communications has provided a "valuable opportunity" for capacity building, with the G-77/CHINA urging deletion of this reference. Opposed by the G-77/CHINA, JAPAN preferred removing reference to "further" financial and technical support for enhancing national capacities. Regarding a compilation and synthesis of information from national communications from small island developing States (SIDS) with a focus on adaptation and mitigation, NIUE and ANTIGUA AND BARBUDA, supported by the US, AUSTRALIA, and EU, urged retaining this as a separate synthesis document.

Turning to work of the CGE, Parties addressed how workshops should be organized. The EU, opposed by the G-77/CHINA, suggested that workshops could address all thematic areas in a combined approach, rather than addressing one theme only. THAILAND stressed that such an approach would not necessarily enhance "effectiveness and efficiency" of the workshops.

CAPACITY BUILDING: Delegates discussed the Chair's draft conclusions, which centered on the need and timing of a workshop, and on the dates and substance of submissions requested from Parties. Parties decided that these submissions will be incorporated into a text on the effectiveness of capacity building in developing countries to be prepared by the Secretariat in time for SBSTA-20. Parties agreed on the need for coherence between decisions on capacity building and those taken on technology transfer related to capacity building.

On guidance to the GEF, CROATIA proposed a request to the GEF that its approach to enhancing capacity building should respond to the framework for capacity building in EITs. SWITZERLAND, AUSTRALIA and the US proposed forwarding text on further guidance to the GEF for consideration under the relevant agenda item. The G-77/CHINA and EU objected, noting the importance of capacity-building experts agreeing on the text first. Due to lack of time, Parties agreed to forward the bracketed text for consideration under the agenda item on further guidance to the GEF.

SCCF: The G-77/CHINA introduced the Group's views on the Co-Chairs' draft decision, noting, *inter alia*, that the SCCF should be financed from new and additional funds, and that the funding level of the SCCF should match that of the GEF's climate change focal area. Delegates then undertook a paragraph-by-paragraph reading of the text. The EU, opposed by the G-77/CHINA, said the objective of the SCCF is to assist developing countries to integrate climate change factors into national sustainable development and poverty reduction strategies, and their implementation. Opposed by the G-77/CHINA, he urged that the SCCF's function is to support mainstreaming of climate change factors in development activities at national and local levels. The G-77/CHINA, opposed by the EU and NORWAY, stressed the need for predictable and adequate funding levels. On the inclusion of activities in decision



7/CP.7 (funding under the UNFCCC), particularly on economic diversification, the EU, with NORWAY, opposed by the G-77/CHINA, called for the deletion of the reference. Sharing the same concern, CANADA proposed discussing a process to further elaborate these items following the operationalization of the SCCF.

PROGRESS ON IMPLEMENTATION OF DECISION 5/CP.7: Delegates in this contact group, co-chaired by Rob Mason (UK) and Al Waleed Al-Malik (United Arab Emirates), reviewed Parties' perspectives on progress on the implementation of activities under decision 5/CP.7. Underlining the linkages of adaptation with other issues, the EU said decision 5/CP.7 enables important activities to be developed further. The G-77/CHINA said there is a need for substantive discussions on implementation of the decision, with a view to building on existing work. Noting that, in terms of the UNFCCC, adaptation is the priority, MICRONESIA, for AOSIS, stressed the vulnerability of SIDS and underlined, *inter alia*, the need for building capacity, addressing insurance challenges, and improving access to funding. SAUDI ARABIA underscored the need to take immediate action, support developing countries in the technical development of non-energy uses of fossil fuels, and exchange information on win-win P&Ms that reduce greenhouse gas emissions, while minimizing adverse impacts on developing countries.

SBSTA CONTACT GROUPS

R&SO: Parties considered a revised draft COP decision and draft conclusions. CHILE, the EU and US objected to referring to the importance of adhering to adopted principles of free and unrestricted exchange of information, noting that such principles do not exist. The G-77/CHINA said the Group would consult internally on this matter. Stressing the importance of sustained funding for regional action plans, the G-77/CHINA suggested that guidance on this issue should be given to the GEF. Referring to the SBSTA-17 conclusions containing a provision on this matter, Co-Chair Sue Barrell asked the G-77/CHINA whether it was necessary to include a request to the SBI to examine additional GEF guidance on this issue in the conclusions. The G-77/CHINA said it would hold internal consultations on the matter.

IPCC TAR: Chair Halldór Thorgeirsson reported on informal consultations, noting that Parties highlighted the need to: build upon existing agreement; advance work without establishing constraints; encourage broad participation, including from experts, while keeping the process under Party control; and ensure participation by all Parties. He proposed holding a "sessional" workshop that would ensure participation by all Parties. SAUDI ARABIA said work should focus on determining the terms of reference of the workshop. The G-77/CHINA, NEW ZEALAND and THAILAND stressed the need to determine the workshop's scope. CHINA, INDIA, SUDAN and SAUDI ARABIA proposed structured submissions on priority themes for consideration at the workshop. The EU and NORWAY said there is no need for further submissions. The G-77/CHINA, SAUDI ARABIA and OMAN objected to a COP decision, while the EU, NORWAY, NEW ZEALAND, RUSSIAN FEDERATION and CANADA expressed support for it.

Chair Thorgeirsson introduced a revised draft COP decision and draft conclusions, and invited Parties to meet in informal consultations on Saturday, 6 December.

METHODOLOGICAL ISSUES: Delegates reviewed the Co-Chairs' draft conclusions. SAUDI ARABIA requested that a paragraph referring to the elements of future methodological work in an annex to the conclusions should be bracketed, until those elements are agreed. The US said cost implications must be noted. AUSTRALIA, opposed by UGANDA, said the data reported by Parties rather than the database should be referred to as the "authoritative source." AUSTRALIA introduced new text clarifying the role of a data-interface scoping phase, emphasizing that Parties should exchange views and consider a range of options. NEW

ZEALAND, supported by CANADA, and opposed by the EU and JAPAN, suggested text noting that the conclusions complete the work under the agenda sub-item. CANADA recommended that text on capacity building and collaborative efforts be linked to the elements of methodological work. SAUDI ARABIA suggested deleting text on periodic overviews and stressed the need to focus on implementation. Discussions will continue in informal consultations on Saturday, 6 December.

GOOD PRACTICE GUIDANCE ON LULUCF: Delegates discussed draft conclusions, which, *inter alia*, recommend use of the IPCC Good Practice Guidance (GPG) under the UNFCCC and to consider them further at SBSTA-20 before recommending their use under the Protocol. TUVALU, for AOSIS, raised concern over adopting the GPG without sufficient time for its examination, and over the practicality of considering the GPG for the UNFCCC and Protocol separately. The IPCC explained how this is addressed in the GPG. The EU, JAPAN, NEW ZEALAND and CANADA urged adopting the guidelines for both the UNFCCC and the Protocol in order to prepare national inventories in time for entry into force of the Protocol. NEW ZEALAND, supported by AUSTRALIA and the RUSSIAN FEDERATION, emphasized the importance of adopting the GPG to advance the implementation of the UNFCCC, and the EU noted that delaying adoption of the GPG will prevent preparation of inventory submissions due in 2006. Opposed by TUVALU, the EU recommended recording Tuvalu's concerns in the meeting's minutes instead of amending the draft conclusions.

On degradation of forests and revegetation of other vegetation types, Parties debated whether the SBSTA should invite Parties to submit their views on possible definitions and methodologies to the Secretariat. TUVALU proposed referring to decision 11/CP.7 (LULUCF).

SINKS IN THE CDM: Co-Chair Karsten Sach outlined pending issues regarding sinks in the CDM, and announced that a Co-Chairs' text will be presented at the contact group meeting on Saturday, 6 December. A representative of INDIGENOUS PEOPLES' ORGANIZATIONS urged delegates to adopt international standards for socioeconomic and environmental criteria for LULUCF project activities under the CDM. The meeting was then adjourned.

IN THE CORRIDORS

Fear of a looming second commitment period and developing country commitments finally became evident Friday, as discussions on the synthesis of Annex I national communications indicated the scope of the climate challenge in the upcoming decade. While the outcome of this debate could potentially provide the foundation for success in Milan, it seems to be heading down a rocky road – as developing countries fear that any recognition of the forthcoming emissions reduction challenge in a COP decision implies a global response to climate change involving all Parties. On a positive note, the fact that the former UNFCCC Executive Secretary is co-chairing these negotiations has led some "climate old-timers" to suggest that his "eloquent diplomacy" and historical knowledge of the "highs" and "lows" of the last ten years of climate negotiations could steer the debate towards groundbreaking conclusions.

On another note, the RINGOs – Research and Independent NGOs – were officially established as a group under the UNFCCC.

THINGS TO LOOK FOR TODAY

SBI CONTACT GROUPS: Contact groups will meet throughout the day on: capacity building; the programme budget for 2004-5; non-Annex I national communications; and the SCCF.

SBSTA CONTACT GROUPS: Contact groups will convene on: technology transfer; good practice guidance on LULUCF; R&SO; the IPCC TAR; and sinks in the CDM.