



## SB-20 HIGHLIGHTS: WEDNESDAY, 16 JUNE 2004

The twentieth sessions of the Subsidiary Bodies (SB-20) opened on Wednesday, 16 June in Bonn, Germany. The Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) held their opening sessions in the morning, adopting their respective agendas and addressing numerous issues. Parties continued deliberations in SBI and SBSTA meetings in the afternoon.

### SBSTA

**OPENING OF THE SESSION:** SBSTA Chair Abdullatif Benrageb (Libya) opened SBSTA-20. Joke Waller-Hunter, UNFCCC Executive Secretary, welcomed Turkey as the 189th UNFCCC Party. Delegates then adopted the agenda.

**METHODOLOGICAL ISSUES: Good practice guidance (GPG) for LULUCF:** AUSTRALIA proposed an open-ended policy dialogue to ensure coherence on accounting for LULUCF activities. BRAZIL urged including factoring out in the dialogue, while the US preferred not to engage in further recommendations on this matter. CANADA and the EU said agreement on GPG and common reporting format tables for reporting under the Protocol is a priority for SBSTA-20. The EU called for consistency with current IPCC tables and reporting recommendations. JAPAN highlighted the contribution made by harvested wood products. BELIZE, for AOSIS, urged concentrating on emissions rather than removals. Chair Benrageb said William Kojo Agyemang-Bonsu (Ghana) and Audun Rosland (Norway) would co-chair a contact group on the issue.

**Small-scale afforestation and reforestation (A&R) under the CDM:** The EU said simplified modalities and procedures for small-scale A&R are a means to facilitate local participation and reduce transaction costs. PERU, with several Latin American Parties, said that at US\$ 6 per ton of CO<sub>2</sub>, small-scale A&R projects would not benefit from CDM, given high transaction costs. BOLIVIA said that such projects may be the only way to involve local and indigenous peoples in "proactive" climate action and urged innovative procedures to advance projects.

CHINA, supported by BRAZIL and MALAYSIA, urged Parties not to revisit definitions agreed on at COP-9. BANGLADESH said modalities and procedures should be compatible with existing capacity and expertise in developing countries. TUVALU, with BRAZIL, said that CDM projects must be additional and not supported by official development assistance. Chair Benrageb said Thelma Krug (Brazil) would chair a contact group on the issue.

**Greenhouse gas inventories:** The IPCC Inventories Task Force Bureau reported on progress in compiling the IPCC 2006 Guidelines for Greenhouse Gas Inventories. KENYA emphasized that "aggressive mitigation" is required by Annex I Parties. NORWAY said the greenhouse gas inventory review process is a

capacity-building activity beneficial to all Parties. Chair Benrageb said Helen Plume (New Zealand) and Branca Americano (Brazil) would conduct informal consultations on the matter.

**Protocol Articles 7 and 8:** The EU noted the importance of access to all necessary information by expert review teams undertaking annual reviews of greenhouse gas inventories, including that deemed confidential by Parties. The US stressed the importance of protecting confidential information. Chair Benrageb said the issue would be addressed by the informal consultations on greenhouse gas inventories.

**Registry systems under Protocol Article 7.4:** Chair Benrageb invited Murray Ward (New Zealand) to conduct informal consultations on the matter.

**TECHNOLOGY TRANSFER:** Expert Group on Technology Transfer (EGTT) Chair Margaret Martin (Canada) reported on the fifth meeting of the EGTT, held prior to SB-20. The G-77/CHINA called on SBSTA to identify financial resources to address the needs identified in the Technology Needs Assessments. The EU and JAPAN emphasized the importance of private sector involvement. GHANA, for the Africa Group, urged developed Parties to provide financial and technical assistance. BELIZE, for AOSIS, emphasized the need for technology transfer relevant to adaptation. Chair Benrageb said Andrej Kranjc (Slovenia) and Kishan Kumarsingh (Trinidad and Tobago) would co-chair a contact group on the issue.

**P&MS:** The EU welcomed further opportunities to implement P&Ms. Chair Benrageb said a contact group would be formed and co-chairs would be announced following consultations.

**R&SO:** The Global Climate Observing System Secretariat reported on relevant work. JAPAN reported on the second Earth Observation Summit held in Tokyo in April 2004. The AFRICA GROUP noted lack of available funding to improve climate observation. CHINA urged strengthening data exchange. WMO reported on its work on increasing the number of climate observations. Chair Benrageb said Stefan Rösner (Germany) and Sok Appadu (Mauritius) would co-chair a contact group on this issue.

**COOPERATION WITH INTERNATIONAL ORGANIZATIONS:** The IPCC updated participants on its work. The UNCCD reported on the workshop on forests and forest ecosystems held in Viterbo, Italy, in April 2004. The RAMSAR CONVENTION expressed regret at not having been invited to the recent Joint Liaison Group (JLG) meeting. FAO said it will assume a more active role in climate change affairs. The INTERNATIONAL STRATEGY FOR DISASTER REDUCTION said disaster reduction remains relevant to climate change.

SWITZERLAND asked how involvement of CBD experts in the CDM EB can be achieved, and suggested extending permanent observer status to the Ramsar Convention in the JLG. PALAU noted the merit of granting the Ramsar Convention full membership at the JLG. He expressed concern that GEF encourages Parties to obtain funding for adaptation from focal areas other than climate change. The US, CANADA and AUSTRALIA empha-



sized coordination among national focal points. Chair Benrageb said Outi Berghäll (Finland) and Marcela Main (Chile) would facilitate informal consultations on the issue.

## SBI

**OPENING OF THE SESSION:** SBI Chair Daniela Stoycheva (Bulgaria) opened SBI-20. QATAR, for the G-77/China, requested SBI-20 to consider arrangements for COP/MOP-1, given the possibility that the Protocol will enter into force before the next session. TUVALU, for AOSIS, emphasized the links between the UNFCCC and the 10-Year Review of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States. The EU welcomed a recent statement by Russian President Vladimir Putin in support of the Protocol.

Parties then adopted the SBI agenda as amended by the G-77/China. The G-77/CHINA stressed the principle of common but differentiated responsibilities. The AFRICA GROUP highlighted the need to increase funding for adaptation. On election of officers, Chair Stoycheva said Fadel Lari (Kuwait) would continue to serve as Vice-Chair of SBI, and Gonzalo Menéndez (Panama) would serve as Rapporteur.

**NON-ANNEX I NATIONAL COMMUNICATIONS: Submission of second, and where appropriate, third national communications:** Several developing countries emphasized that the frequency of communications depends on the availability of financial and technical support. The US said developing countries should submit national communications every four years, and greenhouse gas inventories every two years, while LDCs should submit communications every five years. SAMOA emphasized the importance of avoiding duplication of work between the national communication and NAPA processes, and, with BARBADOS, noted that none of the projects proposed in their first national communications had been funded. Chair Stoycheva said Sok Appadu (Mauritius) would chair a contact group on the issue.

**Work of the Consultative Group of Experts on non-Annex I national communications (CGE):** CGE Chair Brian Challenger (Antigua and Barbuda) presented a report of the CGE meeting in May 2004. He said the CGE would prioritize thematic hands-on training workshops. SWITZERLAND said the effectiveness of these workshops could be improved by, *inter alia*, identifying specific issues and objectives in consultation with participating countries. Chair Stoycheva said she would prepare draft conclusions on the issue.

**Provision of financial and technical support:** The EU welcomed the information provided by the GEF on its support for the preparation of initial national communications, and encouraged SBI to request this information from the GEF for subsequent national communications. Chair Stoycheva said she would draft conclusions on the issue.

**FINANCIAL MECHANISM: Matters relating to the implementation of decision 5/CP.8 (review of the financial mechanism):** AOSIS, with others, cautioned that the COP's role in providing guidance to the GEF is being "undermined" by recent developments in the GEF Council. ARGENTINA stressed the importance of accelerating the financial needs assessment under the UNFCCC prior to discussions on the next GEF replenishment. SWITZERLAND said the assessment could not be conducted in time for the negotiations on the next GEF replenishment. Chair Stoycheva requested Andrea Albán (Colombia) and Sarah Hendry (UK) to hold information consultations on the issue.

**ADMINISTRATIVE AND FINANCIAL MATTERS: Budget performance for biennium 2004-5:** The Secretariat presented the status of contributions to the UNFCCC core budget and trust funds. Chair Stoycheva said she would prepare draft conclusions on the issue.

**Financial support for participation in the UNFCCC process:** The Secretariat presented on the impacts of the practice of not funding the participation of Parties whose contributions are outstanding. Several SIDS urged financial support for two partici-

pants from SIDS delegations. ARGENTINA and COLOMBIA said outstanding contributions by developing countries should not be interpreted as lack of willingness to pay.

**Implementation of the Headquarters Agreement:** Germany briefed participants on progress in creating a UN campus for convention secretariats based in Bonn.

**ANNEX I NATIONAL COMMUNICATIONS:** The EU expressed satisfaction that the majority of Annex I reviews had been completed and posted on the UNFCCC website. SBI took note of the issue.

**UNFCCC ARTICLE 6:** Fatou Ndeye Gaye (the Gambia) reviewed the outcomes of the African regional workshop on Article 6 held in January 2004. UZBEKISTAN stressed the importance of inter-regional cooperation on Article 6 and the need for a clearing-house. URUGUAY and SAINT LUCIA encouraged holding workshops in other regions. The EU announced a contribution of €35,000 to Article 6 activities. Chair Stoycheva said Markus Nausser (Switzerland) would chair a contact group to prepare draft conclusions on the issue, and consider input to further develop the clearing-house originally planned as a pre-session event.

**CAPACITY BUILDING:** TUVALU stressed the need to educate all sections of society, including government ministries, on climate change. The EU and JAPAN stressed country-driven approaches to capacity building. TANZANIA, for the G-77/China, said institutional capacity building had not yet been addressed. Chair Stoycheva said Dechen Tsering (Bhutan) would chair a contact group on the issue.

**IMPLEMENTATION OF ARTICLE 4.8 AND 4.9: Progress on the implementation of activities under decision 5/CP.7 (implementation of Article 4.8 and 4.9):** TUVALU encouraged examining progress on implementation of the decision. Stressing that decision 5/CP.7 represents a milestone, the US noted the divergent views on the success of the decision's implementation and urged finding common ground. SAUDI ARABIA expressed concern about the lack of progress in implementing the decision. The EU encouraged reviewing progress, setting out key areas requiring further progress, and negotiating and adopting a decision at COP-10. Chair Stoycheva said Mohamed Mahmoud Ould El Ghaouth (Mauritania) and Paul Watkinson (France) would co-chair a contact group on the issue.

**Matters relating to LDCs:** LDC Expert Group (LEG) Chair La'avasa Malua (Samoa) reported on the meeting of the LEG in March 2004. SWITZERLAND noted the relevance of the LEG's work to other UNFCCC processes. He encouraged cooperation with the CGE, and cautioned against duplication of work. GAMBIA offered to host the next LEG meeting. UGANDA stressed the importance of the LEG. Chair Stoycheva said she would draft conclusions on the issue.

## IN THE CORRIDORS

While the corridors remained calm on day one, old controversies were revisited in the Plenary halls. Discussions on non-Annex I communications in the SBI evoked a feeling of déjà vu for at least one delegate, and concerns were expressed that SBSTA negotiations might get bogged down by the same old issue of forestry and land use. At the same time, observers expressed uncertainty at the potential shape or form of the brewing discussions on the financial mechanism.

## THINGS TO LOOK FOR TODAY

**SBI:** SBI will meet at 10:00 am in Plenary I to consider arrangements for intergovernmental meetings, the continuing review of the functions and operations of the Secretariat and other matters.

**SBSTA:** SBSTA will meet at 10:00 am in Plenary II to address emissions from international aviation and maritime transport and other matters.

**CONTACT GROUPS:** Contact groups will convene on A&R project activities, technology transfer, LULUCF GPGs, and implementation of decision 5/CP.7.