



UNFCCC SB 22 HIGHLIGHTS: TUESDAY, 24 MAY 2005

On Tuesday morning, delegates convened for a SBSTA round table on policies and measures of Annex I Parties. Contact groups and informal meetings were held throughout the day. SBI contact groups and informal meetings were held to discuss the programme budget for 2006-2007, non-Annex I communications, arrangements for intergovernmental meetings, the internal review of the Secretariat's activities, and LDCs. SBSTA contact groups and informal meetings were held on various issues, including technology transfer, mitigation, adaptation, registry systems under the Kyoto Protocol, research needs in relation to the Convention, and the CDM as it relates to other environmental treaties.

SBSTA

On Tuesday morning, a SBSTA round table was held on Annex I Parties' policies and measures (P&Ms). The event, which was mandated by SBSTA 20, involved presentations and discussions aimed at sharing information and exchanging experiences in implementing P&Ms. The meeting was divided into three parts: domestic aspects; international aspects; and cross-cutting issues. Jonathan Pershing, World Resources Institute, facilitated the meeting.

DOMESTIC ASPECTS OF ANNEX I POLICIES AND MEASURES: Artur Runge-Metzger, European Commission, stressed the EU climate programme's focus on cost-effective measures to meet the Kyoto targets, and cooperation with stakeholders. Toshiyuki Sakamoto, Japan's Ministry of Economy, Trade and Industry, drew attention to the Top-Runner Programme, which sets high energy efficiency standards.

Franz-Josef Schafhausen, German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, reported on his country's climate protection policies. Gregory Picker, Australian Greenhouse Office, reflected on Australia's experiences in developing approaches to energy efficiency and synthetic greenhouse gases. He highlighted the "suite of approaches" taken and industry involvement.

Chris Leigh, Department for Environment, Food and Rural Affairs, UK, spoke about his country's experiences with P&Ms, focusing on the greenhouse gas levy and the UK's emissions trading scheme.

In the ensuing discussion, BRAZIL stressed the need to focus on results and monitoring and evaluation plans. CHINA expressed an interest in Japan's programme, tax incentive policies, and Germany's job creation.

INTERNATIONAL ASPECTS OF ANNEX I POLICIES

AND MEASURES: Presentations: David Fuss, Natural Resources Canada, presented on Canada's P&Ms, emphasizing flexibility and fungibility of trading schemes. Artur Runge-Metzger, European Commission, presented on the EU Emissions Trading Scheme, highlighting its openness.

Toshiyuki Sakamoto, Japan, reported on demonstration projections for enhancing energy efficiency in Asia, promotion of energy-related CDM projects, and new climate-friendly technologies. Daniela Stoycheva, Ministry of Environment and Water, Bulgaria, spoke about her country's climate change strategy and the design of a green investment scheme.

CROSS-CUTTING ISSUES: Participants discussed Annex I Parties' efforts to implement P&Ms in such a way as to minimize the adverse effects on non-Annex I Parties. NIGERIA noted a lack of progress on this issue. SAUDI ARABIA called for financial compensation and tariff concessions.

CONTACT GROUPS AND INFORMAL CONSULTATIONS PROGRAMME BUDGET FOR THE BIENNIUM

2006-2007: At this SBI contact group, delegates discussed Chair Ashe's revised draft SB 22 conclusions and COP 11/MOP 1 decisions. The RUSSIAN FEDERATION said he could not support a budget increase of 22 percent. The EU, opposed by the US, reiterated that the budget should be fixed in Euros. Nigeria, for the G-77/CHINA, said the documents must reference funding for four annual meetings of each expert group, as mandated by the COP. Chair Ashe will consult informally with delegations.

INTERNAL REVIEW OF THE SECRETARIAT'S ACTIVITIES: Chair Dovland convened this contact group on the internal review of the activities of the Secretariat (FCCC/2005/6) to review his revised draft. On the draft recommendations of the SBI to COP 11, a paragraph proposed earlier by the EU on cooperation and communication with other relevant international organizations, was opposed by the US. The paragraph was deleted. India, for the G-77/CHINA, introduced a reference to the biennium budget document (FCCC/SBI/2005/8).

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: This contact group considered the Chair's revised draft conclusions, including a number of items in brackets. Saudi Arabia, for the G-77/CHINA, objected to a reference to building on SBI guidance in a request to the Bureau of COP 10 to participate in finalizing details of the high-level segments at COP 11 and COP/MOP 1. The reference was deleted. Regarding future sessional periods, SAUDI ARABIA objected to an IPCC request that COP 13 be postponed for three to four weeks to allow time for preparation of a synthesis report of the Fourth



Assessment Report. The EU, with AOSIS, NORWAY, the AFRICA GROUP and JAPAN, supported the IPCC request.

On the organization of intergovernmental meetings and the recommendations of a workshop held during SB 21, the G-77/CHINA opposed specific references to giving further consideration to the clustering of agenda items and longer-term cycles for agenda items. The references were deleted. Reference to the workshop report (FCCC/SBI/2005/2) was inserted in an introductory paragraph.

NON-ANNEX I COMMUNICATIONS: Informal consultations on national communications from non-Annex I Parties (FCCC/SBI/2004/L.27) were convened in the morning and evening to discuss a draft decision. The EU, US, CANADA, JAPAN and AUSTRALIA proposed text stating that non-Annex I Parties would make all efforts to submit their second and, where appropriate, third national communications, within four years of the initial financing, on an agreed full cost basis "for the three year project preparation period." They also proposed that, if necessary, non-Annex I Parties could have a one-year extension for submission. The G-77/CHINA, questioned by some GEF donor countries, argued that there was no basis for stipulating the three-year period for the preparation of second or third communications. The US noted that donor countries do not wish to increase their funding of this activity.

A proposal that any extension of the submission period should not imply additional financial resources from the GEF was qualified by the G-77/CHINA, which sought to stipulate a submission period of four years. However, there was no agreement on this. Consultations may reconvene on Wednesday morning after talks with the SBI Chair.

RESEARCH NEEDS RELATING TO THE CONVENTION: During informal consultations on this issue, delegates agreed to a draft decision based on conclusions from SBSTA 17 and 20. Co-Chairs Cigarán and Castellari will hold discussions on draft conclusions in the contact group on Wednesday.

TECHNOLOGY TRANSFER: Delegates met informally in the morning, afternoon and evening to consider Co-Chairs' draft Terms of Reference for EGTT and draft conclusions. Negotiations were stalled in the morning on whether EGTT should "be requested" or "consider" the proposed tasks. Delegates considered EGTT tasks paragraph-by-paragraph in the afternoon, without reaching agreement. Contentious issues included the evaluation of COP decisions since COP 1, the assessment of implementation of the framework, and who should take action for the involvement of the private sector.

SMALL ISLAND DEVELOPING STATES: Informal consultations facilitated by SBSTA Vice-Chair Amjah Abdulla were held Tuesday afternoon. Delegates considered a revised Chair's text, but were unable to agree language requesting submissions by 19 August 2005 on how the COP could further implement the Mauritius Strategy. CANADA expressed concerns that there was no end point to the process. TUVVALU suggested setting COP 11 as a concluding date.

Two additional paragraphs proposed by the EU also caused some disagreement. The US, CANADA, INDIA and others objected to EU-proposed text linking climate change and sea-level rise to the Millennium Review in September 2005. Delegates also discussed text proposed by the EU that would link the prioritization of energy efficiency and renewable energy with the Commission on Sustainable Development's fourteenth and fifteenth sessions in 2006-2007. A further meeting is expected Wednesday.

ADAPTATION: Delegates met in a contact group to discuss scientific, technical and socioeconomic aspects of impacts of, and vulnerability and adaptation to, climate change. Co-Chair Shevlin presented a draft annex on elements for the SBSTA programme of work on adaptation, with Parties providing general comments.

Samoa, on behalf of the G-77/CHINA, called for specific, action-oriented language. The US suggested identifying a single objective. SOUTH AFRICA, with the COOK ISLANDS, called for reference to the most vulnerable Parties. The EU, with CANADA and the US, proposed using language from Decision 1/CP.10. SENEGAL, supported by MICRONESIA, called for reference to capacity building. SOUTH AFRICA highlighted the need for parallel rather than sequential approaches.

MITIGATION: In a contact group meeting co-chaired by Kok Seng Yap and Tashiyuki Sakamoto, delegates focused on reporting on "lessons learned from the mitigation workshops... and any future steps under this agenda item," and on how to report the outcomes. The EU proposed holding a pre-session workshop. China, for the G-77/CHINA, proposed requesting the Secretariat to prepare a concise report of what has been done to date. The US said it was "skeptical" about workshops, and questioned the value of spending one week of negotiations to agree on terms of reference for a three hour workshop. The G-77/CHINA asked if the workshop was intended to exchange views on lessons learned from previous workshops or on next steps under this agenda item. The Co-Chairs will prepare draft conclusions and consult informally.

CDM AND OTHER ENVIRONMENTAL TREATIES: Chair Georg Børsting presented draft conclusions. CHINA and the US preferred limiting invitations for submissions to Parties, while the EU favored also inviting submissions from admitted observers and relevant intergovernmental organizations. The EU requested additional time for consultations. Chair Børsting said that if no comments are received by midday Wednesday, he will consider the text agreed.

MATTERS RELATING TO THE LEAST DEVELOPED COUNTRIES: Delegates at the contact group agreed on the importance of ensuring equitable access to the LDC Fund. Much of the debate centered on the role of full-cost funding and funding for priority actions. The EU noted the need for funding to address the adverse effects of climate change rather than climate variability. UGANDA, for the LDC Group, noted the difficulty in making such a differentiation. JAPAN stressed the need to ensure that funding is used for the highest priority items from the NAPAs. Several LDCs noted that the NAPA process itself identifies such priorities. Discussions ended at 10:00 pm without a final resolution.

IN THE CORRIDORS

Memories of COP 9 and COP 10 plenary exchanges on the LDC Fund returned to the corridors Tuesday as delegates began to suspect that they were about to relive the inconclusive negotiations, in the style of the "Groundhog Day" Hollywood film about someone fated to repeat the same day again and again. Since COP 8's decision that further guidance for the operation of the LDC Fund would have to be developed for the GEF, negotiators from both sides seem to feel they have been starting over at each day of each session. Some attributed the sense of *déjà vu* to a rushed decision at COP 9, and handing over the initiative to the GEF Council at the expense of LDC delegates.

Likewise, there were signs the budget negotiations could also take a repetitive turn.