

SB 26 HIGHLIGHTS: THURSDAY, 10 MAY 2007

On Thursday afternoon, an SBI plenary convened to consider pending issues relating to the SBI 26 agenda. Contact groups and informal consultations were also held throughout Thursday on a variety of issues, including: the budget for 2008-2009; non-Annex I communications; IPCC's 2006 Guidelines on national greenhouse gas inventories; research and systematic observation; small-scale afforestation and reforestation under the CDM; and technology transfer.

SBI

Chair Asadi convened the SBI briefly on Thursday afternoon, notifying delegates of successful consultations on one of the issues left pending when the SBI's agenda was adopted on Monday, 7 May. He recalled that this related to two sub-headings under the agenda item on "progress on the implementation of Decision 1/CP.10" (Buenos Aires Programme of Work on Adaptation and Response Measures). He explained that the matter had been resolved, with delegates agreeing to retain the main title but delete both sub-headings, which had referred to the "adverse effects of climate change" and "impact of the implementation of response measures." The SBI then formally approved the agenda item, without the sub-headings. Chair Asadi announced a contact group on the topic, to be co-chaired by Philip Gwage (Uganda) and Shayleen Thompson (Australia). Chair Asadi informed the SBI that the contact group will begin its work on Friday morning.

Chair Asadi also reported to the SBI that consultations would continue on two other pending issues: an agenda sub-item on information contained in non-Annex I communications, and the proposal for a contact group on matters relating to Protocol Article 3.14 (adverse effects and response measures).

CONTACT GROUPS AND INFORMAL CONSULTATIONS

BUDGET: In the budget contact group, the Secretariat presented three budget scenarios for parties to consider: a reduction scenario adjusted for real growth using a projected inflation rate of 1.65%; a reduction scenario of US\$1 million; and a reduction scenario of US\$1.755 million. The

Secretariat explained that all three proposals entailed reducing the UNFCCC's contribution to the IPCC by 100%, but clarified that this would not have an impact on the UNFCCC Secretariat's work programme. SOUTH AFRICA made reference to the degree of uncertainty with regard to forward budgeting, since the parties had not agreed on future tasks and activities of the Secretariat. Chair Dovland pointed out that parties also had the option of accepting the original budget proposal, which proposed a 3.3% increase. A draft decision was circulated for consideration.

Delegates reconvened for informal consultations in the afternoon, with parties exchanging further views on budget levels and various budget lines. While developing countries generally favored the Secretariat's original budget proposal, some developed countries proposed a lower overall budget, and suggested various possible areas for savings. Discussions will continue in a contact group on Friday.

DEFORESTATION: Discussions on reducing emissions from deforestation in developing countries continued in a small drafting group, facilitated by Greg Picker (Australia). The drafting group met to consider the first ten operative paragraphs of SBSTA Chair Kumarsingh's draft COP decision addressing, *inter alia*, capacity building and project activities. The drafting group is expected to continue its work on Friday morning based on draft text from the facilitator.

IPCC GUIDELINES FOR NATIONAL GREENHOUSE GAS INVENTORIES: On Thursday morning, informal discussions on non-reporting issues related to harvested wood products (HWP) took place. There was general agreement among participants that the scope of the discussion was separate from the reporting of HWP and therefore any discussion should be included within the broader issue of LULUCF. A draft text was proposed by the Co-Chairs, building on decision text from SB 24, and adding that HWP issues would be considered in a broader context.

In the afternoon the contact group reconvened, with delegates considering draft conclusions related to the 2006 Guidelines. BRAZIL, supported by CHINA, proposed deleting reference to the evolution process of the IPCC 2006 Guidelines, and the US, supported by a number of other parties, suggested a footnote to the overview chapter on

IPCC guidelines. The RUSSIAN FEDERATION questioned proposals from the EU and others to change the order of the paragraphs.

The US queried language indicating that the UNFCCC reporting guidelines need to be revised before a decision is made on how to use the 2006 Guidelines. The EU proposed wording on voluntary use of the 2006 Guidelines “ensuring consistency with” the UNFCCC reporting guidelines, while BRAZIL suggested that the two guidelines should be applied in parallel in certain sectors. He emphasized that even though this means extra work, experience on the 2006 Guidelines is necessary before deciding on their use.

GHANA then proposed adjourning the meeting to allow the G-77/China time to coordinate, but the Co-Chairs suggested hearing comments on the other paragraphs first. On the remaining text, BRAZIL proposed language on managed lands, the EU suggested inviting the IPCC and other relevant organization to continue their efforts, and the US sought to bracket a paragraph on capacity building for the use of the 2006 Guidelines. Revised text will be prepared and informal consultations are set to continue on Friday afternoon.

NON-ANNEX I NATIONAL COMMUNICATIONS: Delegates continued informal discussions on two draft SBI conclusions, one on the work of the Consultative Group of Experts (CGE) on non-Annex I communications, and another on the provision of financial and technical support. Bracketed text remained in both drafts concerning financing and the CGE’s technical reports. New text will be prepared and a contact group is planned for Saturday.

RESEARCH AND SYSTEMATIC OBSERVATION: Informal consultations were held in the morning. Co-Chair Fida introduced draft conclusions addressing SBSTA’s role in facilitating a more effective dialogue between parties and regional and international climate change research programmes. The draft included language on the IPCC, the informal meeting held on 8 May, SBSTA’s role, developing countries’ research capacity, key uncertainties and future research needs, the Global Terrestrial Observing System (GTOS), and the Nairobi Work Programme on Impacts, Vulnerability and Adaptation.

Parties discussed the text paragraph-by-paragraph, suggesting a range of alterations, additions and deletions. One developed country proposed deleting reference to the Nairobi Work Programme and a sentence that specified a number of approaches (such as side events, special events, workshops and submissions) that could be employed as part of a future dialogue. However, a developing country opposed deleting this sentence, preferring to retain these specific ideas.

Other developing countries sought to add text on capacity building, the need for financial support and the development of research capacity, while a developed country proposed adding a reference to identifying “gaps” in research. A revised text incorporating input from delegates will be circulated on Friday.

SMALL-SCALE AFFORESTATION AND REFORESTATION UNDER THE CDM: During an informal group meeting in the morning, Co-Chair Akahori presented draft SBSTA conclusions on the implications of possible changes to the limit for small-scale afforestation and reforestation CDM projects. The draft text included two

options: one in which the matter is considered premature and no further work is required; and another whereby SBSTA recommends that the COP/MOP requests the CDM Executive Board to consider the implications of a change to the limit.

Parties agreed that the two options reflected the range of views, and restated their positions, with some indicating that it was too early and that a revision was appropriate in the context of discussions on the second commitment period, while others emphasized that current experience was sufficient to allow for such a revision to begin.

The Co-Chairs proposed to proceed by requesting focused submissions from parties on the implications of changing the limit, including on baselines, leakage, and the Protocol’s environmental integrity. Parties welcomed the proposal, but differences remained on whether to address the issue at COP/MOP 3 or 4, and whether submissions should also be requested from organizations.

Revised draft conclusions will be presented on Friday afternoon ahead of another informal group meeting.

TECHNOLOGY TRANSFER: In the morning, informal discussions resulted in agreement on a paragraph concerning the Secretariat’s facilitation role and cooperation with relevant organizations. Alternative language was offered by parties regarding the list of actions for the future constituted body addressing technology transfer. Some wanted the list moved closer to the beginning of the operative text, while others suggested that it be incorporated into the constituted body’s terms of reference. Consensus on outstanding sections was not reached, with many paragraphs still bracketed.

Parties then began discussing the proposed Annex II, which deals with the constituted bodies’ terms of reference. By the end of the morning session, participants had agreed to the body’s objective.

In the afternoon, the contact group reconvened. Co-Chairs Mahlung and Shimada introduced revised text, noting the progress made so far. Ghana, for the G-77/CHINA, requested time to consider the text, and the meeting was adjourned. “Informal informal” consultations continued in a small-group, though, with the Co-Chairs clarifying parties’ views on the preambular paragraphs.

Informal consultations are scheduled to resume on Friday, with the contact group possibly reconvening on Saturday.

IN THE CORRIDORS

There was relief among some delegates at the resolution of the dispute over the agenda item on Decision 1/CP.10 in the short SBI plenary on Thursday. “This means we can now start talking about adaptation under this agenda item in earnest,” said one observer. However, others lamented that the way the item was resolved will mean that the discussion on impacts of climate change and impacts of response measures will remain as “conjoined twins with no possibility of surgery to separate them.”

Many delegates, though, seemed to be engaged in a “procession” of contact group, informal, drafting group and bilateral discussions throughout Thursday, as parties continued to work through the “nitty gritty” details of the SBI and SBSTA agendas. “Don’t ask me what the big picture looks like—right now I can’t see the wood for trees!” said one participant emerging from the deforestation discussions.