

SB 28 AND AWG HIGHLIGHTS: WEDNESDAY, 4 JUNE 2008

On Wednesday, the 28th sessions of the Subsidiary Bodies began. The SBI and SBSTA considered most of their agenda items, referring many to contact groups for further discussion.

SBI

SBI Chair Bagher Asadi (Iran) opened the session. On the agenda and organization of work (FCCC/SBI/2008/1), Chair Asadi suggested leaving a sub-item on information contained in non-Annex I communications in abeyance until SBI 29. The EU said SBI is legally obliged to consider items on its agenda and the UMBRELLA GROUP expressed disappointment that the matter would not be discussed at SBI 28. However, both agreed to the suggestion, and parties adopted the agenda as proposed.

OPENING STATEMENTS: A number of speakers commented on technology, adaptation and financial matters. The G-77/CHINA highlighted the fourth review of the financial mechanism and requested an update on operationalization of the Adaptation Fund. He expressed disappointment with the GEF's strategic programme on investment for technology transfer, and urged a renewed mandate for the Consultative Group of Experts on non-Annex I National Communications (CGE). The AFRICAN GROUP opposed proposals to provide loan financing, as opposed to grants, to developing countries. Maldives, for LDCs, complained of funding delays for implementing NAPAs. COLOMBIA proposed extending the levy on the CDM for adaptation to the other mechanisms.

NON-ANNEX I COMMUNICATIONS: CGE: On the CGE (FCCC/SBI/2007/10/Add.1 & MISC.7), several countries lamented the lack of agreement on renewing the CGE's mandate at COP 13. CANADA and the US highlighted the importance of non-Annex I communications. Brazil, for the G-77/CHINA, objected to any review of non-Annex I communications. The EU and SWITZERLAND underscored the relevance of CGE's work for discussions on measuring, reporting and verifying under the AWG-LCA.

Financial and technical support: The Secretariat introduced this item (FCCC/SBI/2008/INF.3/Rev.1), and the G-77/CHINA said applying the GEF's Resource Allocation Framework to national communications was not acceptable. Emily Ojoo-Massawa (Kenya) and Nicole Wilke (Germany) will co-chair a contact group.

REVIEW OF THE FINANCIAL MECHANISM: The Secretariat introduced the issue (FCCC/SBI/2008/INF.4 & MISC.3). MEXICO noted the need to consider innovative means of financing. The EU and US said the GEF performs effectively and responsively. A contact group will be co-chaired by Tina Guthrie (Canada) and Bubu Jallow (Gambia).

CONVENTION ARTICLES 4.8 AND 4.9: Progress on the implementation of Decision 1/CP.10 (Buenos Aires programme of work): On this issue (FCCC/SBI/2008/MISC.4),

Chair Asadi proposed a two-stage approach dealing with priority activities first and modalities later. Several parties highlighted useful outcomes of expert workshops and an informal pre-session meeting. A contact group was established chaired by Leon Charles (Grenada).

Matters relating to the Least Developed Countries: On LDCs (FCCC/SBI/2008/6), delegates heard a report from the LDC Expert Group (LEG). UGANDA called for the GEF to reduce project implementation bureaucracy. Amjad Abdulla (Maldives) will hold informal consultations.

TECHNOLOGY TRANSFER: The Secretariat introduced documents (FCCC/SBI/2008/5 & 7, MISC.1, and INF.1). EGTT Chair Jukka Uosukainen reported on the EGTT's work. Richard Hosier, GEF, reported on a strategic programme to scale up technology transfer investment, noting that the GEF Council could not agree on a draft programme for consideration in Bonn. The EU and JAPAN welcomed the GEF's report, while the G-77/CHINA said the report deviates from the Bali mandate. A joint SBI and SBSTA contact group was established to consider the EGTT's work programme, co-chaired by Holger Liptow (Germany) and Carlos Fuller (Belize). Another contact group, co-chaired by Philip Gwage (Uganda) and Holger Liptow (Germany), will consider technology transfer under SBI.

CAPACITY BUILDING (CONVENTION): On this item (FCCC/SBI/2008/2), AOSIS emphasized the need to minimize time and resources spent on monitoring and evaluating capacity building. SWITZERLAND supported using performance indicators to monitor progress of implementation. Crispin d'Auvergne (Saint Lucia) and Helmut Hojesky (Austria) will co-chair a contact group.

CAPACITY BUILDING (PROTOCOL): The Secretariat introduced the issue (FCCC/SBI/2008/2). JAPAN said there was no mandate for a comprehensive review of capacity building under the Protocol. The EU highlighted the importance of capacity building for the CDM. D'Auvergne and Hojesky will co-chair a contact group.

REPORTING AND REVIEW OF INFORMATION FROM ANNEX I PARTIES UNDER THE PROTOCOL:

The Secretariat noted that most Annex I parties are now eligible to participate in the flexible mechanisms (FCCC/SBI/2008/INF.2). Chair Asadi will draft conclusions.

PROTOCOL ARTICLE 3.14 (ADVERSE EFFECTS): Saudi Arabia, for the G-77/CHINA, highlighted the importance of this issue, while AUSTRALIA, the EU and JAPAN stressed the need to avoid duplicating work under the SBSTA agenda item on Protocol Article 2.3 (adverse effects of policies and measures). Gertraud Wollansky (Austria) and Kamel Djemouai (Algeria) will consult informally.

COMPLIANCE: On this issue (FCCC/KP/CMP/2005/2), JAPAN opposed Saudi Arabia's proposed amendment entailing legally-binding consequences for non-compliance. SAUDI

ARABIA urged adopting the Protocol amendment at COP/MOP 4, while the EU said it should form part of broader post-2012 discussions. Chair Asadi will draft conclusions.

ARTICLE 9 REVIEW: The Secretariat introduced the issue (FCCC/SBI/2008/INF.1&5 and MISC.2 & Add.1-3). The UMBRELLA GROUP, SWITZERLAND and UKRAINE called for a comprehensive review. BRAZIL and CHINA stressed that the review must not lead to new commitments. BRAZIL, opposed by AUSTRALIA, argued that the list of issues for consideration during the Article 9 review in decision 3/CMP.3 is exhaustive. Ana Maria Kleymeyer (Argentina) and Adrian Macey (New Zealand) will consult informally.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: On this issue (FCCC/SBI/2008/4), POLAND and Executive Secretary Yvo de Boer said they are cooperating to ensure adequate and affordable accommodation for COP 14 and COP/MOP 4.

SBSTA

SBSTA Chair Helen Plume (New Zealand) opened the session and parties adopted the agenda and organization of work (FCCC/SBSTA/2008/1).

OPENING STATEMENTS: The G-77/CHINA and AFRICAN GROUP urged agreement on terms of reference for development of performance indicators submitted by the EGTT. The LDCs noted the progress and potential of the NAPA process, and stressed the importance of existing technologies for the enhancement of sustainable livelihoods.

NAIROBI WORK PROGRAMME (NWP): On the NWP (FCCC/SBSTA/2008/2-5, MISC.3 & Add.1-2), the US stressed the importance of improving parties' oversight of calls for action and action pledges. AUSTRALIA welcomed continuity between current and future areas of work and suggested a greater emphasis on the NWP playing a catalytic role in the next phase. The PHILIPPINES noted the lack of observation data in developing countries and proposed a workshop to help fill this gap. JAPAN stressed cost-benefit analysis for adaptation activities. Kishan Kumarsingh (Trinidad and Tobago) and Donald Lemmen (Canada) will co-chair a contact group.

TECHNOLOGY TRANSFER: The Secretariat introduced documents (FCCC/SBSTA/2008/4, INFs.1-2). EGTT Chair Uosukainen reported on the EGTT's proposed approach to developing and testing candidate performance indicators before making recommendations. Parties welcomed the reconstitution of the EGTT and urged approval of the proposed 2008-09 work programme. JAPAN and others highlighted the importance of the private sector. The EU underscored its €650,000 additional contribution to the EGTT in 2008. CANADA noted upcoming revised technology needs assessment (TNA) guidelines, and the US recommended no further TNAs be funded until the new guidelines become available. SWITZERLAND stressed the importance of ambitious emissions reduction policies to foster technology transfer. A contact group, co-chaired by Carlos Fuller (Belize) and Kunihido Shimada (Japan), was established to prepare draft SBSTA conclusions.

REDUCING EMISSIONS FROM DEFORESTATION IN DEVELOPING COUNTRIES: The Secretariat introduced this issue (FCCC/SBSTA/2008/MISC.4 & Add.1-2). The Democratic Republic of Congo, for the CONGO BASIN COUNTRIES, stated that reference data based on historical trends would penalize past good behavior. BOLIVIA and others underscored national and sub-national policies. The EU said SBSTA should inform the work of the AWG-LCA. NEPAL stressed benefits to local people and, with INDIA, highlighted conservation. A contact group will be co-chaired by Audun Rosland (Norway) and Lilian Portillo (Paraguay).

COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS: UNFCCC Executive Secretary Yvo de Boer outlined UN system-wide climate change activities and cooperation (FCCC/SBSTA/2008/MISC.2). SBSTA Chair Plume will prepare draft conclusions.

RESEARCH AND SYSTEMATIC OBSERVATION: The Secretariat introduced relevant documents (FCCC/SBSTA/2008/MISC.8 & Add.1). SAUDI ARABIA highlighted the High-Level Conference on World Food Security in Rome, emphasizing the

"devastating" impacts of increased biofuel production on poverty levels. BRAZIL said biofuel production was compatible with food production, reduced emissions, and supported sustainable development. Arthur Rolle (Bahamas) and Sergio Castellari (Italy) will co-chair a contact group.

MITIGATION: The Secretariat introduced documents (FCCC/SBSTA/2008/MISC.6 & Add.1). JAPAN, the EU, CHINA, US, AUSTRALIA and others said discussions should be carried out under the AWG-LCA to avoid duplication of work, while NEW ZEALAND and SOUTH AFRICA said work should also continue under SBSTA. URUGUAY and ARGENTINA underscored non-carbon dioxide emissions and lack of mitigation options in the agricultural sector. Ermira Fida (Albania) will conduct informal consultations.

METHODOLOGICAL ISSUES (CONVENTION):
Proposal by Brazil: The Secretariat introduced documents (FCCC/SBSTA/2008/MISCs.1 & 5). BRAZIL said this work could inform the post-2012 process, while the US stated that commitments should not be based on historical responsibility. Washington Zhakata (Zimbabwe) will hold informal consultations.

International aviation and maritime emissions: Many non-Annex I parties expressed concern that IMO's work on a binding instrument on shipping emissions (FCCC/SBSTA/2008/MISC.9) is not guided by the principle of common but differentiated responsibilities. The EU, NEW ZEALAND, SINGAPORE, MICRONESIA and others supported IMO's work. The US said IMO's decision stems from its own mandate, which precedes the Kyoto Protocol. Plenary discussions will continue on Thursday.

METHODOLOGICAL ISSUES (PROTOCOL): HCFC-22 / HFC-23: Jeffery Spooner (Jamaica) will hold informal consultations on this issue.

Carbon Capture and Storage (CCS): On CCS (FCCC/SBSTA/2008/INF.1), NORWAY, KUWAIT, CANADA, the EU, SAUDI ARABIA, JAPAN and others, opposed by BRAZIL, MICRONESIA and others, supported inclusion of CCS projects under the CDM. The EU, supported by JAPAN, proposed a pilot phase approach. Gertraud Wollansky (Austria) and Mohammad Reazuddin (Bangladesh) will conduct informal consultations.

LULUCF: Anke Herold (EC) and Nagmeldin Elhassan (Sudan) will convene informal consultations.

POLICIES AND MEASURES: On this issue (FCCC/SBSTA/2008/MISC.9), JAPAN noted overlap with discussions under the AWG-LCA. Chair Plume will prepare draft conclusions.

INFORMAL CONSULTATIONS (AWG-KP)

LULUCF: In informal consultations on LULUCF, parties considered a range of options on modalities and rules. Consultations on these topics will resume Thursday.

MECHANISMS: During informal consultations on Wednesday afternoon, parties began by focusing on the CDM.

IN THE CORRIDORS

The High-Level Conference on World Food Security taking place in Rome was generating some talk in the corridors in Bonn, with a few delegates drawing connections to the post-2012 discussions, particularly regarding the role of biofuels. "The excitement is all in Rome right now," said one negotiator, adding that a "greater sense of urgency" might be needed in Bonn to get through the heavy workload.

Some delegates were also talking about financing issues. Several commented on the Adaptation Fund, Resource Allocation Framework, and funding for NAPA implementation – important issues for many developing countries and LDCs. There was also talk about the GEF's draft strategic programme, and speculation on how some developing country concerns with the financial mechanism might manifest themselves in the coming days.

Looking further ahead, a growing number of participants were expressing concerns about the availability and cost of accommodation for COP 14 and COP/MOP 4 in Poznan, Poland, in December. "I hope I don't end up sleeping in the snow in December!" said one delegate, seemingly only partly in jest.