

SB 28 AND AWG HIGHLIGHTS: WEDNESDAY, 11 JUNE 2008

On Wednesday, contact groups and informal consultations were held on a range of issues, including long-term cooperative action under the AWG-LCA, the flexible mechanisms and LULUCF under the AWG-KP, arrangements for intergovernmental meetings, capacity building, carbon capture and storage, mitigation, review of the financial mechanism, non-Annex I communications, reducing emissions from deforestation in developing countries, and technology transfer.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

AWG-LCA (LONG-TERM ACTION): Informal consultations on draft conclusions continued on Wednesday. In the morning, Selwin Hart (Barbados) reported on informal consultations regarding issues to be addressed by the Secretariat in information notes and technical papers on, *inter alia*: mitigation in the agriculture sector; adaptation-related activities in the UN system; risk management and insurance tools; means and ways to increase climate resilience; and financial and investment flows. He reported no agreement on technology.

After further small-group consultations, the larger group met informally in the evening and agreed to text requesting the Secretariat to prepare technical papers on mitigation in the agriculture sector and on insurance mechanisms, to update the technical paper on financial flows taking into account the Bali Action Plan, and to prepare an information note on adaptation activities within the UN system. The G-77/CHINA said the Secretariat should ensure balance between developed and developing countries when hiring consultants to prepare the technical papers.

FLEXIBLE MECHANISMS (AWG-KP): During informal consultations and contact group discussions, parties continued classifying issues on the list of possible improvements to first and second commitment period topics. Co-Chair Figueres highlighted that in Accra, the AWG-KP will focus on the second commitment period issues, while the rest of the issues can be taken up by other bodies and processes.

Delegates agreed to list CCS under the second commitment period, with a footnote referring to relevant ongoing work under the SBSTA. They classified an appeals procedure for CDM Executive Board decisions, and a penalty for poor quality performance by Designated Operational Entities as first commitment period issues.

Proposals marked as second commitment period issues also included matters relating to additionality, such as multiple-project baselines, establishing additionality at the macro-level, introducing criteria for projects that would have happened anyway, and exempting certain project types.

Concerning measures to address reversion of exhausted plantations to non-forest areas, BRAZIL specified that the proposal related to afforestation and reforestation, and suggested marking it a first commitment period issue. TUVALU opposed this, stressing that it should be considered during the AWG-KP's discussions on LULUCF.

The G-77/CHINA and BRAZIL stated that issues related to differentiated treatment of parties under the CDM fall outside the AWG-KP's mandate, and suggested noting that they would require amending Protocol Article 12 (CDM). The EU stated that differentiation is already applied under the CDM, for instance, concerning the LDCs. Differences also emerged between the G-77/CHINA and some Annex I parties concerning the classification of proposals on allocating proportions of CER demand to specific project types and/or parties, and on co-benefits of CDM projects. The EU stressed that any significant changes to the current rules must only be considered for the second commitment period. Informal consultations continued into the evening, but no agreement was reached. Consultations are scheduled to continue on Thursday morning.

LULUCF (AWG-KP): The contact group on LULUCF completed its work, agreeing to draft conclusions containing an annex of compiled options and issues for consideration. In the text, parties agreed to "take into account" the LULUCF principles of decision 16/CMP.1 instead of agreeing that the principles continue to apply, as preferred by the G-77/CHINA, SWITZERLAND and others.

On the status of the annex, parties agreed to a chapeau stating that the document does not prejudice future actions by the AWG-KP, and to text in the operative section characterizing the annex as views of the parties compiled by the Chair.

Discussions also focused on items for inclusion in a paragraph on cross-cutting issues. The final text includes reference to biodiversity, as supported by the EU, SWITZERLAND, THAILAND and NORWAY, and to sustainable forest management.

Responding to concerns raised by BRAZIL about opening Protocol Article 3.4 (additional activities) for discussion, parties agreed to remove a reference to additional activities under Article 3.4.

OTHER ISSUES (AWG-KP): Informal and “Friends of the Chair” consultations were conducted throughout the day, with differences reported, *inter alia*, over sectoral approaches and emissions from international aviation and maritime transport.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS (SBI): In the contact group, Co-Chair Smith presented draft SBI conclusions on arrangements for COP 14 and COP/MOP 4, and on future sessional periods. Delegates considered the draft paragraph-by-paragraph, agreeing on most of the text.

On a paragraph about accommodation in Poznan and the cost and availability of hotels, the G-77/CHINA said further discussions with the host country were scheduled for later on Wednesday, and asked to return to this issue in the contact group on Thursday.

On text regarding sessions in 2009, parties agreed to recommend two sessional periods in March/April and August/September, in addition to the usual periods in June and November/December. These two additional periods would run from mid-week to mid-week and would be for AWG-LCA and AWG-KP meetings.

Parties also discussed whether meetings in 2009 should, to the extent possible, be held in Bonn or other UN duty stations in order to minimize the cost and logistical burden, and to facilitate participation by developing countries. Some parties preferred referring to the smaller list of cities that host UN headquarters, rather than duty stations. URUGUAY offered to host an AWG-LCA and AWG-KP session if Bonn or another UN location is unable to do so. AUSTRALIA noted possible options of Bangkok, Geneva and Lyon identified by the Secretariat.

Delegates also discussed a proposal by AUSTRALIA to avoid scheduling meetings, including workshops and pre-sessionals, that might result in a “three week block” of back-to-back events. Instead, AUSTRALIA preferred a “family friendly” approach and “human rights for climate negotiators” so delegates are not away from their families for four weekends in a row. The G-77/CHINA requested more time to consider this text. The contact group will reconvene on Thursday afternoon.

CAPACITY BUILDING UNDER THE PROTOCOL (SBI): During informal consultations, parties agreed on draft SBI conclusions and a draft COP/MOP decision. A contact group will convene on Thursday morning to approve the text.

CARBON CAPTURE AND STORAGE (SBSTA): SBSTA Chair Plume chaired the informal consultations. Discussions focused on whether to hold a roundtable at SBSTA 29 and on the inclusion of a reference to decision 1/CMP.2 (guidance on the CDM). Consultations will continue informally.

FINANCIAL MECHANISM (SBI): Informal consultations on the operative sections of the Co-Chairs’ draft SBI conclusions took place throughout the day. Disagreement persisted over types of technical papers to be requested from the Secretariat. A group of developing countries supported a paper on the nature and objectives of co-financing for GEF projects. A group of Annex I parties suggested a needs assessment of public and private investment and financial flows, based on a range of stabilization levels, with information by region and sector. Informal consultations will continue on Thursday morning.

MITIGATION (SBSTA): During informal consultations, delegates considered a draft text presented by New Zealand and Argentina. The main issues under discussion were the possible overlap of issues with the AWG-LCA and preparation of technical papers, with particular attention given to a possible technical paper on mitigation in the agriculture sector. New text will be made available and discussions will continue on Thursday morning.

NON-ANNEX I COMMUNICATIONS (SBI): Informal consultations continued on draft text on agenda items 3(a) (work of the CGE) and 3(c) (provision of financial and technical support). Parties made progress on 3(c), agreeing on most of the text. However, disagreement persisted on the duration and content of the CGE mandate. Parties agreed to consider the bracketed text, containing suggestions from various parties, at SBI 29.

REDUCING EMISSIONS FROM DEFORESTATION (SBSTA): On REDD-related capacity building, parties began by drafting more specific language, stressing ways to strengthen technical capacity. Some parties objected to focusing on this under the SBSTA, stating that the specifics of capacity building are political, not methodological, issues. General text on identifying capacity building needs was mostly accepted, with text on supporting capacity building remaining bracketed. On effectiveness of actions, text was agreed with minor modifications.

On cross-cutting issues, concerns were raised on whether linkages between methodological approaches and financing options are methodological issues. Delegates also considered a reference to the UN Declaration on the Rights of Indigenous Peoples and discussed whether to refer to implications or considerations for indigenous peoples. On promotion of co-benefits, parties agreed to refer to other relevant conventions and agreements, but removed references to specific institutions.

Parties also discussed whether to classify verification information and monitoring, effectiveness of actions, or cross-cutting issues. On definitions, parties disagreed on the need to include the definition of forest.

In discussions on the means to deal with uncertainties, parties proposed referring to a “principle of conservativeness.” However, delegates disagreed as to whether this was a policy or a technical issue, with one party insisting that it should remain bracketed because it is not defined. Consultations continued into the night, with some progress reported. National versus sub-national approaches and displacement of emissions remained the main areas of disagreement. Consultations will continue Thursday morning.

TECHNOLOGY TRANSFER (SBI): During informal consultations, delegates addressed the structure of terms of reference for the review, with substantial progress reported. Delegates then met in the contact group, which agreed to draft SBI conclusions that would continue consideration of the matter at SBI 29.

IN THE CORRIDORS

Delegates expressed a wide range of emotions on Wednesday, as some groups completed their work early, while others remained bogged down. Several participants said they were pleasantly surprised that LULUCF talks ended somewhat early. “They’re usually one of the last to finish,” noted an observer.

Some delegates were observing a pattern across many of the negotiations to focus on information notes and technical papers from the Secretariat, and a surge in the number of “shopping lists” and “issues being placed on the table” for future negotiation. “We’re definitely seeing some pre-negotiation stage positioning,” said one veteran observer.

Meanwhile, some delegates were talking about the lunchtime briefing by the host government on COP 14 and COP/MOP 4. “I really do hope we can resolve the accommodation questions soon,” said one developing country participant.