

COP 14 HIGHLIGHTS:

WEDNESDAY, 3 DECEMBER 2008

On Wednesday, the COP/MOP resumed initial consideration of its agenda and the AWG-LCA concluded the workshop on a shared vision. The AWG-KP held a workshop on mitigation potential and SBI Chair Asadi convened a round table on adverse effects and response measures. Contact groups were held on technology transfer, non-Annex I communications, REDD, the Nairobi Work Programme, the financial mechanism, decision 1/CP.10 (adaptation and response measures), and the second review of the Protocol under Article 9.

COP/MOP 4

CDM: On this issue (FCCC/KP/CMP/2008/4 and FCCC/AWG/2008/3), CHINA, JAPAN and others lamented delays in CDM project registration and an increase in review requests by the CDM Executive Board. CHINA and SOUTH AFRICA supported simplifying accreditation of Designated Operational Entities (DOEs) and CHINA and others called for more transparency.

ALGERIA, ZAMBIA, SENEGAL, BENIN and others urged considering distribution of CDM projects and methodological issues. TANZANIA identified the need for African DOEs and CAMBODIA suggested simplifying requirements for LDCs. SOUTH AFRICA supported guidance on post-2012 CDM projects. BINGOs called for an independent review of the CDM and institutional improvements. ENGOs highlighted concerns over additionality and sustainable development. Christiana Figueres (Costa Rica) and Georg Børsting (Norway) will co-chair a contact group.

ISSUES RELATING TO JOINT IMPLEMENTATION:

On this topic (FCCC/KP/CMP/2008/3 and FCCC/KP/AWG/2008/3), a contact group was established, co-chaired by William Agyemang-Bonsu (Ghana) and Pedro Barata (Portugal).

ADAPTATION FUND BOARD: On the report of the Adaptation Fund Board (FCCC/KP/CMP/2008/2), the AFRICAN GROUP, G-77/CHINA, AOSIS and others called for rapid operationalization of the Fund and URUGUAY and CUBA urged a decision in Poznań. Many parties underlined insufficient funds and the need to deal with monetization of CERs.

TUVALU proposed giving the Fund a legal personality. The Bahamas, for AOSIS, supported Tuvalu's concerns about a conflict of interest if the trustee were able to sell CERs as well as buy them.

The G-77/CHINA stressed the COP/MOP's authority over the Fund and direct access to resources. JAPAN suggested a COP/MOP decision on eligibility of economies in transition for these funds. A contact group will be co-chaired by Karsten Sach (Germany) and Surya Sethi (India).

ARTICLE 9 REVIEW: The second review of the Protocol under Article 9 (FCCC/KP/CMP/2008/6, INFs.1-3, MISCs.1-3, FCCC/SBI/2008/8 and Add.1, and FCCC/TP/2008/6) was taken up briefly on Wednesday morning with plenary statements scheduled to continue on Thursday afternoon. BRAZIL called for a concise review and stressed the importance of reaching a decision on extending the share of proceeds at this session, while the EU said resources for adaptation should be seen in the broader context of the AWG-LCA discussions. Ana Maria Kleymeyer (Argentina) and Adrian Macey (New Zealand) will co-chair a contact group.

AWG-LCA WORKSHOP ON A SHARED VISION

Delegates continued their discussions, with many interventions focusing on mitigation action by developed countries, as well as linkages between a shared vision and the objective and principles of the Convention. The provision of adequate financial resources and technology transfer, and prioritizing adaptation, were also emphasized.

South Africa, for the AFRICAN GROUP, noted that a shared vision should address all elements of the Bali Action Plan. The EU highlighted that a shared vision requires efforts by all parties.

The US said a shared vision should be optimistic, pragmatic and reflect evolving scientific and economic realities. ICELAND supported efforts to globalize the carbon market. BOLIVIA said the financing provisions should be on a par with developed countries' spending to rescue financial institutions during the current financial crisis. SINGAPORE and SAUDI ARABIA emphasized national circumstances. EGYPT, TANZANIA and GUATEMALA called for special attention to the most vulnerable countries.

AWG-KP WORKSHOP ON MITIGATION POTENTIALS

The Secretariat presented the updated technical paper (FCCC/2008/TP/10). Former IPCC Working Group III Co-Chair Bert Metz highlighted how assumptions about emission reductions by Annex I countries affect action by non-Annex I countries for different stabilization scenarios. He explained that 25-40% reductions by Annex I countries by 2020 would mean 15-30% deviation from the baseline for non-Annex I countries to achieve 450 ppm, and 0-20% deviation for 550 ppm.

Barbara Buchner, International Energy Agency, said the reference scenario without new policies is unsustainable and would result in 750 ppm and a 6°C temperature rise. She identified the need for "an enormous energy transformation" involving all regions and sectors. She said the additional cost would not be high but the real challenges are the scale and practicalities of the transformation.

CHINA, SAUDI ARABIA and ALGERIA stressed the AWG-KP's mandate and the need to limit discussions to Annex I countries.

The EU warned that reduction goals could be weakened depending on the rules adopted for LULUCF, carbon credits and bunker fuels. JAPAN proposed ensuring comparability of efforts by aggregating sectoral potentials and cross-checking with indicators, including greenhouse gas intensity, marginal abatement costs and percent of GDP.

The RUSSIAN FEDERATION identified three specific indicators: population-weighted heating degree days; population-weighted average distance between ten major cities; and the export-import balance of greenhouse gas intensive products.

Tuvalu, for AOSIS, urged including the costs of inaction as well as action, and said Annex I parties should focus on domestic emission reductions. He proposed that LULUCF not be expanded under the CDM, that 1990 remain as the base year to ensure comparability, and that the second commitment period run from 2013-2017.

CANADA said useful indicators for calculating mitigation potentials included the marginal costs of abatement, cost of emission reductions as a percentage of GDP, and the percentage of "welfare loss."

NEW ZEALAND highlighted national circumstances and detailed costs for mitigation. SOUTH AFRICA stressed cumulative responsibility and said mitigation potentials need to be converted into actual emission reductions. CHINA said mitigation potential is determined by political will.

SBI ROUND TABLE ON ADVERSE EFFECTS AND RESPONSE MEASURES

SBI Chair Asadi explained that this SBI-mandated round table aimed to exchange experiences, lessons and best practices in planning and implementing actions to address adverse effects of climate change and the impact of response measures.

On lessons learned, many supported country-led approaches and the full integration of adaptation into national planning. Multi-stakeholder involvement and activities at the regional and local levels were also stressed.

On the UNFCCC's role, speakers welcomed its work in catalyzing information sharing. Many suggested additional activities, including providing further support to governments and strengthening collaboration with other groups. A framework or mechanism to consider response measures under the SBI was proposed.

On gaps and constraints, several developing countries noted bureaucratic hurdles in accessing funding. Capacity building for monitoring and assessing the impact of response measures was discussed, as was data collection and economic modeling.

CONTACT GROUPS

ARTICLE 9 (COP/MOP): Co-Chairs Kleymeyer and Macey explained that the draft text would be circulated only after the plenary statements have been completed and said this session would focus on procedural issues.

Co-Chair Macey clarified the COP/MOP's decision to streamline work on issues considered under several agenda items. He explained that privileges and immunities would be discussed mainly under the SBI contact group while the Article 9 contact group would approve and incorporate the relevant text into its decision. On the flexible mechanisms, he said the Article 9 group would give priority to their scope, effectiveness and functioning while the CDM contact group would focus on the CDM's operational aspects and equitable distribution. CHINA and others raised concerns over the CDM being discussed in different groups and emphasized the need to avoid parallel meetings.

REDD (AWG-KP): Co-Chair Rosland suggested focusing on points of agreement in order to prepare a possible COP decision on methodologies. NEW ZEALAND cautioned that any COP decision should not prejudice policy discussions in other bodies.

On issues requiring further work, parties mentioned reference emission levels and degradation. On reference emission levels, MEXICO called for developing approaches that countries may choose from, according to national circumstances, and BOLIVIA proposed "development adjustment factors."

The US called for clarifying the policy/methodology distinction, while COLOMBIA and others said the two are interrelated.

TECHNOLOGY TRANSFER (SBI/SBSTA): In the SBI contact group, discussions focused on the GEF's report on the strategic programme to scale up investment for technology transfer (FCCC/SBI/2008/16). Parties expressed their support and stressed the need for speedy implementation of the programme. The G-77/CHINA said it was a good first step but that resources allocated towards implementation were insufficient, and that the programme lacked a long-term strategic vision. CHINA highlighted expedited access to funds.

Later in the day, a separate SBI/SBSTA contact group also met to discuss technology transfer. Co-Chair Fuller introduced the report of the EGTT for 2008 and three interim reports (FCCC/SB/2008/INFs.5-8). Delegates generally expressed satisfaction with the EGTT's work and noted that the interim reports would be a useful input to the AWG-LCA.

NON-ANNEX I COMMUNICATIONS (SBI): Co-Chair Moita invited general comments from parties. Most underlined the importance of the CGE's work and the need to renew its mandate. The G-77/CHINA and AOSIS opposed funding national communications through the GEF Resource Allocation Framework. GEORGIA said non-Annex I parties from Eastern Europe had been excluded from the process and requested their inclusion in the composition of the CGE.

NAIROBI WORK PROGRAMME (SBSTA): Co-Chair Kumarsingh invited comments on the possible need for an expert group under the NWP, and on issues to be forwarded to the SBI. AUSTRALIA and the US supported discussing the need for an expert group, but questioned the additional benefit of having such a group. INDIA underscored that the NWP is not an end in itself, but a means to support and promote adaptation and vulnerability reduction in developing countries. SAMOA and INDIA suggested that some issues could be forwarded to the SBI, including promoting the creation of an enabling environment for adaptation and the use of research networks.

FINANCIAL MECHANISM (SBI): In the contact group, delegates discussed the heavily bracketed text for a draft decision on the fourth review compiled at SBI 28. No brackets were removed. On co-financing, JAPAN and the US said a reference to the importance of co-financing for GEF projects should be retained. The G-77/CHINA disagreed and proposed to submit new text.

DECISION 1/CP.10 (SBI): Zimbabwe, for the AFRICAN GROUP, supported by the COOK ISLANDS, suggested a new work programme focused on specific adaptation actions. The US questioned the need for this in light of the Buenos Aires programme of work. The AFRICAN GROUP noted an improved understanding and acceptance of the need to address the impact of response measures, and suggested a broadening of its scope.

IN THE CORRIDORS

Participants at the workshop on shared vision seemed pleased as they left the event on Wednesday afternoon. "The most important achievement is that we all agree that a shared vision is not only about targets and that it should address all elements of the Bali Action Plan," said one developing country delegate. Another participant said he was "honestly encouraged" and was looking forward to further discussions in a contact group.

Meanwhile, the AWG-KP workshop on mitigation potentials seemed to elicit some strong responses. While some were impressed at the quality of presentations, more than one delegate seemed surprised that a few of the presentations focused on developing country action. "I thought the AWG-KP was all about Annex I commitments – what just happened?" asked one observer.