

## SB 32 AND AWG HIGHLIGHTS: MONDAY, 31 MAY 2010

The 32nd sessions of the Subsidiary Body for Implementation (SBI) and Subsidiary Body for Scientific and Technological Advice (SBSTA) held their opening plenaries on Monday morning and afternoon. The SBI took up issues including the financial mechanism, capacity building, technology transfer and national communications. The SBSTA considered, *inter alia*, reducing emissions from deforestation and forest degradation in developing countries (REDD), technology transfer, the Nairobi work programme on impacts, adaptation and vulnerability (NWP), as well as methodological issues.

### SBSTA

**ORGANIZATIONAL MATTERS:** SBSTA Chair Mama Konaté (Mali) opened the session. Parties adopted the agenda and agreed to the organization of work (FCCC/SBSTA/2010/1).

**OPENING STATEMENTS:** Yemen, for the G-77/CHINA, emphasized the importance of making progress on technology transfer and said he looked forward to the progress report on the NWP. Spain, for the EUROPEAN UNION (EU), highlighted possibilities for progress on: the NWP; using research and science to inform negotiations; REDD; technology transfer; and standardized baselines under the Clean Development Mechanism (CDM). Grenada, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), requested holding the first contact group meetings before tabling draft conclusions and supported joint SBSTA and SBI meetings on technology transfer. The Democratic Republic of the Congo, for the AFRICAN GROUP, called for an emphasis on adaptation planning and practices, and proposed a work programme on implementing adaptation activities and an *ad hoc* technical group on adaptation, with fixed terms of reference, a finite lifespan and fixed costs.

PANAMA, also speaking for Colombia, Chile, Mexico, Guatemala, Peru, Uruguay and the Dominican Republic, stressed the importance of making progress on REDD, including participation of all developing countries. On technology transfer and the NWP, he urged moving to the implementation of concrete activities. Australia, for the UMBRELLA GROUP, called for consideration of how the SBSTA can advance decisions on information, as well as scientific and technological matters. Noting the *ad hoc* and temporary nature of the AWGs, she urged development of a work programme, starting at this meeting, to carry forward agreements reached by parties.

On the NWP, BOLIVIA underscored the need for studies to determine adaptation costs and benefits, and consideration of study results in the context of the desired greenhouse gas (GHG) stabilization levels. He also urged that discussions on forests take into consideration the concerns and participation of indigenous peoples.

Lesotho, for the LEAST DEVELOPED COUNTRIES (LDCs), called for decisions on research and systematic observation for LDCs to focus on strengthening institutions through revived consideration of a LDC work programme. He highlighted the need for concrete action on the NWP, REDD and technology transfer.

**NWP:** The Secretariat introduced the item (FCCC/SBSTA/2010/INF.2; FCCC/SBSTA/2010/2-3 and 5). The INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC) noted that the Task Group on Data and Scenario Support for Impact and Climate Analysis (TGICA) would continue to support the work of the NWP and that the Fifth Assessment Report (AR5) would, *inter alia*, address impacts and response strategies, adaptation needs and constraints in more detail.

JAPAN called for extending the NWP based on its cumulative achievement in improving understanding of adaptation. Kiribati, for AOSIS, stressed the need for information dissemination reflecting the low level of connectivity in small island developing states (SIDS) and streamlined and simplified funding mechanisms. She called for mechanisms to address loss and damage through insurance and noted the burden that monitoring, reporting and verification (MRV) of adaptation programmes places on LDCs and SIDS.

NICARAGUA highlighted uncertainty in the costs of adaptation and questioned the ability of market mechanisms to help vulnerable countries. SWITZERLAND and the WORLD METEOROLOGICAL ORGANIZATION (WMO) highlighted the NWP's input to the Global Framework for Climate Services.

Kishan Kumar Singh (Trinidad and Tobago) and Don Lemmen (Canada) will consult informally.

**TECHNOLOGY TRANSFER:** The Secretariat introduced the item (FCCC/SB/2010/INF.1 and 3-4). SBSTA Chair Konaté reported that Bruce Wilson (Australia) and Nagmeldin Goutbi Elhassan (Sudan) had been appointed, respectively, as the Chair and Vice-Chair of the Expert Group on Technology Transfer (EGTT). EGTT Vice-Chair Elhassan reported on the work of the EGTT, including on updating and implementing the EGTT's 2010-2011 programme of work.

Carlos Fuller (Belize) and Ronald Schillemans (the Netherlands) will Co-Chair a joint SBSTA/SBI contact group.

**REDD:** The Secretariat introduced the item. SBSTA Chair Konaté described the goals of enhancing coordination on capacity building and the use of IPCC guidance and guidelines for estimating emissions.

The Central African Republic, for the COMMISSION DES FORÊTS D'AFRIQUE CENTRALE (COMIFAC), called for discussions on modalities for MRV and financing. BOLIVIA and NICARAGUA underscored the importance of rights and participation of local populations. PAPUA NEW GUINEA and GUYANA stressed that political discussions on REDD should be left to the AWG-LCA and that the SBSTA should consider

capacity building and methodological issues. Climate Action Network, for ENVIRONMENTAL NGOs, encouraged the Chair to use delegations' scientists as "friends of the chair."

Audun Rosland (Norway) will consult informally.

**RESEARCH AND SYSTEMATIC OBSERVATION:** The Secretariat introduced the item (FCCC/SBSTA/2010/MISC.s 4 and 6). The IPCC highlighted work on the AR5 and informed parties that the InterAcademy Council would finalize in August, a report on IPCC processes and procedures in order to ensure an accountable and transparent process. THAILAND and TAJIKISTAN emphasized the need to build research capacity. The EU stressed the importance of science in guiding the negotiating process.

Sergio Castellari (Italy) and David Lesolle (Botswana) will conduct informal consultations.

**METHODOLOGICAL ISSUES (CONVENTION):**

**Emissions from international aviation and maritime transport:** The Secretariat introduced the item (FCCC/SBSTA/2010/MISC.5). The INTERNATIONAL MARITIME ORGANIZATION (IMO) noted that their member states have developed a strong set of standards on minimum energy efficiency levels and that the organization has well respected enforcement mechanisms, MRV and modalities for effective implementation of such standards. He also emphasized progress in developing market-based mechanisms to supplement these regulations. The INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO) highlighted progress on operational changes, market-based measures, assistance to developing countries, technology transfer and reporting of aviation fuel consumption.

KUWAIT, QATAR, SAUDI ARABIA, NIGERIA and JAPAN expressed confidence that, as technical experts in the field of bunker fuels, ICAO and IMO are currently the best venues for addressing these issues. CHINA, UGANDA, BRAZIL, INDIA and ARGENTINA supported establishment of a contact group to discuss methodological issues and guidance of ICAO and IMO.

Chair Konaté will prepare draft conclusions on this issue.

**Revision of the reporting guidelines on Annex I annual inventories:** The Secretariat introduced the item (FCCC/SBSTA/2010/MISC.1; FCCC/SBSTA/2010/4; and FCCC/SBSTA/2010/INF.5). The IPCC Task Force on National Greenhouse Gas Inventories reported on its work. NORWAY proposed that the reporting of indirect emissions should be made mandatory.

Riitta Pipatti (Finland) and Nagmeldin Goutbi Elhassan (Sudan) will facilitate informal consultations.

**METHODOLOGICAL ISSUES (PROTOCOL): HCFC-22/HFC-23:** Samuel Adejuwon (Nigeria) will hold informal consultations to develop draft conclusions.

**Carbon capture and storage (CCS) under the CDM:** The Secretariat introduced the issue (FCCC/SBSTA/2010/MISC.2 and Add.1). SAUDI ARABIA, NORWAY, AUSTRALIA, KUWAIT, JAPAN, EGYPT and QATAR expressed support for consideration of a draft decision on how to include CCS under the CDM. Benin, for the LDCs, supported by BARBADOS, JAMAICA, FEDERATED STATES OF MICRONESIA, BRAZIL, ZAMBIA and TRINIDAD AND TOBAGO expressed concern over including CCS under the CDM. BARBADOS questioned the value of forming a contact group, while SAUDI ARABIA, BOTSWANA, PAPUA NEW GUINEA, JAPAN, INDONESIA and KUWAIT supported forming a group at this meeting.

Pedro Martins Barata (Portugal) and Andrea García Guerrero (Colombia) will hold informal consultations.

**Standardized baselines under the CDM:** The Secretariat introduced the item (FCCC/SBSTA/2010/MISC.3/Rev.1). The EU highlighted the importance of standardized baselines in ensuring certainty, predictability and transparency under the CDM. JAPAN, BENIN and SOUTH AFRICA supported the idea of standardized baselines, with SOUTH AFRICA adding that these should be used in conjunction with existing additionality tools. SWITZERLAND and ARGENTINA supported discussion of the issue, while NICARAGUA expressed concerns with the CDM.

Peer Stiansen (Norway) will conduct informal consultations.

**Implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation project activities under the CDM:** The Secretariat introduced the item. SAUDI ARABIA and NICARAGUA opposed the inclusion of reforestation of lands with forest in exhaustion under the CDM. BURKINA FASO and BENIN noted the need to request additional details and establish precise criteria before consideration of the issue. BRAZIL, INDONESIA, TOGO and INDIA, opposed by SAUDI ARABIA, supported holding consultations on this issue.

José Eduardo Sanhueza (Chile) will hold informal consultations.

**Common metrics to calculate CO2 equivalence of GHGs:** Mikhail Gytarsky (Russian Federation) will consult informally.

**SCIENTIFIC, TECHNOLOGICAL AND SOCIO-ECONOMIC ASPECTS OF MITIGATING CLIMATE CHANGE:** SBSTA Chair Konaté noted that negotiations on enhanced actions on mitigation are still evolving in other bodies, and that this could have implications on future work by SBSTA on this matter.

Belize, for AOSIS, called for technical papers for consideration at SBSTA 33, on the means and costs of limiting global temperature increase to under 1.5°C, and on the costs of failure to reach this goal.

Kunihiko Shimada (Japan) and Fredrick Kossam (Malawi) will consult informally.

**COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS:** UNFCCC Executive Secretary Yvo de Boer reported on cooperation with UN agencies and other organizations, noting that subsequent reports will include cooperation with the business sector. The Convention on Biological Diversity (CBD) reported on climate change-related outcomes of the CBD SBSTTA meeting held in May in Nairobi, Kenya, emphasizing impacts of climate change on biodiversity, ecosystem-based approaches to adaptation, and mitigation. SBSTA Chair Konaté will draft conclusions.

**SBI**

**ORGANIZATIONAL MATTERS:** SBI Chair Robert Owen-Jones (Australia) opened the session. He suggested, and parties agreed, to provisionally apply the agenda while he consults informally on the sub-item on information contained in non-Annex I national communications with a view of adopting the agenda in the afternoon session. Yemen, for the G-77/CHINA, stressed that there was no agreement to include the item on the agenda. In the afternoon, parties adopted the agenda (FCCC/SBI/2010/1) with the sub-item on information contained in non-Annex I national communications held in abeyance.

**OPENING STATEMENTS:** Spain, for the EU, welcomed the fifth replenishment of the Global Environment Facility (GEF), and progress by the Adaptation Fund Board. Yemen, for the G-77/CHINA, highlighted problems in receiving financial and technical support for non-Annex I national communications. He emphasized the fourth review of the financial mechanism and said that the LDC Fund (LDCF) and the Special Climate Change Fund (SCCF) remain underdeveloped and require improvements. He also stated that the poster and logo of the Cancún Conference should contain references to both COP 16 and COP/MOP 6 and that both be treated equally.

Australia, for the UMBRELLA GROUP, highlighted the importance of national communications, improved reporting and review of information, development and transfer of technology, and organization of intergovernmental meetings.

The Solomon Islands, for AOSIS, stressed the need to avoid duplication of efforts under the SBI and AWG-LCA. He called for regular monitoring and evaluation of capacity building, highlighting the need for performance indicators, and supported further strengthening of the Adaptation Fund. Lesotho, for the LDCs, stressed the need to fully implement the LDC work programme, lamented that the LDCF does not contain adequate resources to fully implement national adaptation programmes of action (NAPAs) and opposed the co-financing requirement.

Democratic Republic of the Congo, for the AFRICAN GROUP, stressed the importance of national communications. He called for immediate operationalization of the SCCF and



assistance to implement the direct access provisions of the Adaptation Fund. He also called for indicators to implement developed countries' capacity building commitments.

BOLIVIA described outcomes of the World People's Conference on Climate Change, held in Cochabamba, Bolivia, in April 2010. She expressed concern over developed countries' increasing GHG emissions and emphasized that market mechanisms were not sufficiently addressing climate change.

SAUDI ARABIA called for progress on the implementation of decision 1/CP.10 (Buenos Aires programme of work) and Protocol Article 3.14 (adverse effects and impacts of response measures).

COLOMBIA, on behalf of Chile, Panama, the Dominican Republic and Peru, stressed the need for the existing financial mechanism to be used effectively and for national communications to be strengthened and capacities increased.

**ANNEX I NATIONAL COMMUNICATIONS AND GHG INVENTORY DATA: Report on national greenhouse gas (GHG) inventory data for the period 1990-2007:** The Secretariat introduced the issue (FCCC/SBI/2009/12). Bolivia urged developed countries to reduce their emissions "drastically."

**Status of submission and review of fifth national communications:** The Secretariat introduced the item (FCCC/SBI/2010/INF.1).

**Date of submission of sixth national communications:** The Secretariat introduced the item (FCCC/SBI/2009/INF.9).

William Agyemang-Bonsu (Ghana) and Makio Miyagawa (Japan) will co-chair a contact group on the agenda items related to Annex I national communications.

**ANNUAL COMPILATION AND ACCOUNTING REPORT FOR ANNEX B PARTIES UNDER THE PROTOCOL:** The Secretariat introduced the item (FCCC/KP/CMP/2009/15 and Add.1). Bolivia expressed deep concern over excessive use of market mechanisms by Annex B parties.

William Agyemang-Bonsu (Ghana) and Makio Miyagawa (Japan) will co-chair a contact group.

**NON-ANNEX I NATIONAL COMMUNICATIONS: Consultative Group of Experts on non-Annex I national communications (CGE):** The Secretariat introduced the item (FCCC/SBI/2010/INF.2). CGE Chair Eric Mugurusi (Tanzania) reported on the CGE's work since its reconstitution at COP 15. Brazil, for the G-77/CHINA, expressed satisfaction with the reconstitution of the CGE while lamenting that the time lost in the absence of the CGE cannot be regained. THAILAND stressed that the CGE's work is crucial for improving the quality of non-Annex I national communications. TIMOR-LESTE highlighted the need for capacity building.

**Further implementation of Convention Article 12.5 (frequency of national communications):** The Secretariat noted that SBI 31 agreed to defer the issue to SBI 32. Brazil, for the G-77/CHINA, stressed the need to take into account the principle of common but differentiated responsibilities, highlighting that non-Annex I countries should not have stricter obligations concerning national communications than Annex I countries. He stressed a linkage to the item on financial and technical support and THAILAND highlighted that the frequency of non-Annex I national communications must consider the availability of resources.

**Financial and technical support:** The Secretariat introduced the item (FCCC/SBI/2010/INF.3), and the GEF provided information on financial support for non-Annex I national communications (FCCC/SBI/2009/INF.11 and FCCC/SBI/2010/INF.3).

Brazil, for G-77/CHINA, said many constraints exist to receiving finance from the GEF, noting that although improvements have been achieved, the GEF has not been "very responsive" to concerns of developing countries. SAUDI ARABIA, supported by KUWAIT, IRAN and OMAN, expressed surprise at the GEF's decision to stop financial support for national communications for some non-Annex I countries, particularly the oil producing ones, stressing the need to resolve the issue at this session. SIERRA LEONE, supported by MALAWI, TIMOR-LESTE and ALGERIA, said delays in finalizing national communications are often due to difficulties with the implementing agencies, and called for improved

communication between the GEF and implementing agencies. The US expressed sympathy with those having problems accessing funds, and said he is "extremely worried" about where resources put forward go to if they are not available to countries.

William Agyemang-Bonsu (Ghana) and Makio Miyagawa (Japan) will co-chair a contact group on the agenda items related to non-Annex I national communications.

**FINANCIAL MECHANISM: Fourth review of the financial mechanism:** The Secretariat introduced the item (FCCC/SBI/2009/MISC.10 and Add.1). CHINA expressed satisfaction with the GEF's fifth replenishment and called on contributing countries to expedite payments and for the GEF to streamline the project preparation and approval process. NIGERIA, GHANA and the MALDIVES highlighted their participation in the study on investment and financial flow to address climate change, and called for a follow-up.

**GEF's report:** The Secretariat introduced the item (FCCC/CP/2009/9). Antigua and Barbuda, for AOSIS, expressed appreciation for the GEF's fifth replenishment, while noting the need to improve access to GEF resources, highlighting the need for country ownership and raising concerns with private sector involvement in procuring funding.

**Assessment of the Special Climate Change Fund (SCCF):** The Secretariat introduced the item.

Zaheer Fakir (South Africa) and Sandrine de Guio (France) will co-chair a contact group.

**CAPACITY BUILDING (CONVENTION):** The Secretariat introduced the item (FCCC/SBI/2009/4, 5 and 10, FCCC/SBI/2009/MISCs.1, 2, 8 and 12). Tanzania, for the G-77/CHINA expressed concern with the lack of support from developed countries for the implementation of the capacity building framework. SIERRA LEONE called for LDC climate change focal points to be strengthened.

Phillip Gwage (Uganda) and Marie Jaudet (France) will co-chair a contact group.

**CAPACITY BUILDING (PROTOCOL):** The Secretariat introduced the item (FCCC/SBI/2009/4-5; FCCC/SBI/2009/MISCs 1-2, 8 and 12; FCCC/KP/CMP/2009/16 and FCCC/SBI/2009/10). TANZANIA lamented that only a few developing countries were enjoying the benefits from the CDM.

Phillip Gwage (Uganda) and Marie Jaudet (France) will co-chair a contact group.

**CONVENTION ARTICLE 6 (education, training and public awareness):** The Secretariat introduced the item (FCCC/SBI/2010/2, 3 and 9). The DOMINICAN REPUBLIC emphasized that the New Delhi Work Programme should be extended and improved. 350.ORG called for recognizing of the role of NGOs and youth in the implementation of Convention Article 6. LIFE E.V. emphasized the close linkages between masculinity, technology and emissions, where traditional masculine identities support the use of status objects that use a lot of energy. A contact group will be chaired by Liana Bratasida (Indonesia).

**REVIEW OF THE ADAPTATION FUND:** The Secretariat introduced the item (FCCC/SBI/2010/MISC.2 and FCCC/SBI/2010/7). The Philippines, for the G-77/CHINA, looked forward to the further operationalization of the Adaptation Fund through direct access procedures. Spain, for the EU, highlighted their contribution of €45 million to the Fund. Bangladesh, for the LDCs, called for: new and additional financial resources; direct and easy access; and support for setting up national implementing entities. Maldives, for AOSIS, expressed hope that the Adaptation Fund would serve as a primary vehicle for adaptation fast-start financing. TIMOR-LESTE called for balanced and fair representation on the Adaptation Fund Board. TUVVALU expressed concern about the high cost of servicing the Fund, calling for criteria for evaluating the role of the interim secretariat and trustee. SWITZERLAND observed that the right balance had been found between operational independence and institutional association with the GEF Secretariat. BOLIVIA emphasized that financing should come from public funds of developed countries in recognition of their historical responsibility. JAPAN noted that the review of the Fund could

provide material for the AWG-LCA discussions. SIERRA LEONE lamented that climate change funds had not been used in a balanced manner in the past.

A contact group will be co-chaired by Ruleta Camacho (Antigua and Barbuda) and Jukka Uosukainen (Finland).

#### **MATTERS RELATING TO CONVENTION ARTICLES 4.8 AND 4.9: Implementation of decision 1/CP.10 (Buenos Aires programme of work):**

The Secretariat introduced the item (FCCC/SBI/2010/MISC.1). SBI Chair Owen-Jones noted that SBI 30 requested the SBI Chair to prepare a draft decision on this matter, informed parties that the text had been prepared and would be available at the first contact group meeting.

Barbados, for AOSIS, called, *inter alia*, for establishing a SIDS work programme, reviewing NAPAs and supporting national institutional arrangements for access to financial resources.

SBI Vice-Chair Samuel Ortiz Basualdo (Argentina) will chair a contact group.

**LDCs:** The Secretariat introduced the item (FCCC/SBI/2010/5). Chair Fred Onduri (Uganda) reported on the activities of the LDC Expert Group (LEG).

Bangladesh, for the G-77/CHINA, called for the full implementation of NAPAs and the LDC work programme, highlighting the need for support and resources. NEPAL, TIMOR-LESTE, BURKINA FASO and SIERRA LEONE stressed the need to extend the LEG's mandate and MALAWI called for abolishing the co-financing requirement for NAPA projects. TIMOR-LESTE identified the need for capacity building for national focal points, highlighting the need to review and update NAPAs.

Rence Sore (Solomon Islands) will consult informally.

**TECHNOLOGY TRANSFER:** The Secretariat introduced the item (FCCC/SBI/2010/INF.4, FCCC/SBI/2010/INF.6, and FCCC/SB/2010/INF.1). EGTT Vice-Chair Elhassan reported on the EGTT's recent work. Rawleston Moore, GEF, presented a GEF progress report on the Poznan strategic programme on technology transfer (FCCC/SBI/2010/4). JAPAN stressed the importance of strengthening the EGTT's ties with alliances that include the private sector, such as the Climate Technology Initiative. The US welcomed efforts undertaken both bi- and multilaterally, and in- and outside the Convention, and took note of the scaling up of the Climate Technology Initiative. AUSTRALIA encouraged enhanced engagement with the private sector. The PHILIPPINES welcomed the work undertaken by the EGTT, and expressed hope that the work done by the EGTT will not undermine the negotiations on the implementation of the Bali Action Plan.

Carlos Fuller (Belize) and Ronald Schillemans (the Netherlands) will co-chair a joint SBI/SBSTA contact group.

**PROTOCOL ARTICLE 3.14 (adverse effects and impacts of response measures):** SBI Chair Owen-Jones noted that work on this issue will continue based on text contained in Annex I of SBI 31 report. Andrew Ure (Australia) and Eduardao Calvo Buendía (Peru) will co-chair a joint SBI/SBSTA contact group on this item and Protocol Article 2.3 (adverse impacts of policies and measures).

**PROTOCOL AMENDMENT WITH RESPECT TO COMPLIANCE:** SBI Chair Owen-Jones will draft conclusions.

**KAZAKHSTAN'S PROPOSAL TO BE INCLUDED IN ANNEX B:** The Secretariat introduced the item (FCCC/SBI/2010/6). Kazakhstan emphasized its commitment to reduce emissions and said its efforts should be rewarded by giving it access to the flexibility mechanisms. Mark Berman (Canada) will consult informally.

#### **ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS:**

**Budget performance for the biennium 2010-11:** UNFCCC Executive Secretary Yvo de Boer introduced the item, reporting on budget performance for the biennium 2010-2011. MEXICO expressed concern that some parties have not complied with their commitments for 2010 and called on countries to make voluntary contributions. The SBI Chair will draft conclusions.

**Implementation of the Headquarters Agreement:** The SBI Chair will draft conclusions.

**Privileges and Immunities:** The Secretariat introduced the item (SBI/2009/8). Tamara Curl (Australia) will chair a contact group.

#### **Methodology for collection of International Transaction Log (ITL) fees:**

The Secretariat introduced the issue (FCCC/TP/2010/1 and FCCC/SBI/2010/MISC.4). CHINA drew attention to discrepancies and omissions in the technical paper. Tashiaki Nagata (Japan) will chair a contact group.

#### **ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS:**

The Secretariat introduced the item (FCCC/SBI/2010/8). MEXICO highlighted preparations for COP 16 and COP/MOP 6. Bangladesh, for the G-77/CHINA, expressed hope that effective participation of all developing countries would be ensured. Emphasizing inclusive, transparent and democratic negotiations, BOLIVIA observed that the preparatory work for COP 16 and COP/MOP 6 should respect the separate negotiating tracks, mandates and outcomes of the AWG-LCA and AWG-KP. TUVALU emphasized that the high-level segment should be transparent. SWITZERLAND highlighted the value of involving observer organizations, particularly the private sector. The PHILIPPINES stressed that any rules regulating the participation of observers, especially IGOs, should not be arbitrarily applied. SBI Chair Owen-Jones will chair a contact group.

**OTHER MATTERS:** BELARUS, supported by the RUSSIAN FEDERATION, lamented that Belarus had not yet been included in Annex B of the Kyoto Protocol, and requested support for including their Joint Implementation projects on the UNFCCC website before the adopted amendment to Protocol Annex B comes into force. The SBI Chair will consult informally.

#### **IN THE CORRIDORS**

On the first day of the Bonn Climate Change Talks, many participants commented that they were happy to be back after what some described as a "long pause in the substantive negotiations" following Copenhagen. "But are our expectations for the COP and COP/MOP actually lower than they were this time last year and how much will we be able to achieve this year? I am not so sure," commented a veteran negotiator.

However, long-term issues and the two AWGs remained in the background as the first day was dedicated to the opening plenaries of the SBI and SBSTA. Both Subsidiary Bodies have what delegates described as "extremely busy" agendas. The meeting rooms were also crowded; the smaller SBSTA plenary hall was filled to capacity and "overflow rooms" were designated for those that could not find seats in the main hall. The reason was what some referred to as "yet another delay" in completing the international conference center in Bonn. "We said our tearful goodbye to the Maritim last August when we thought we'd be moving into a new venue - and now we're having a tearful reunion" said one delegate, who had to remain standing for most of the morning plenary session.

On the substantive side, many delegates emerging from the flexibility mechanisms discussions under the SBSTA commented on what they characterized as "increasingly political" statements and criticism against market mechanisms by some countries, as well as "strong" disagreements over CCS and forests in exhaustion under the CDM. "But we will be discussing standardized baselines under the CDM," noted one developed country delegate, seemingly pleased.

In the evening, delegates gathered to celebrate the tenure of Executive Secretary Yvo de Boer and bid him farewell at a reception hosted by the German government. There were laughs, good cheers, some walks down memory lane and even a few teary eyes during the speeches, handshakes and hugs. Expect Yvo de Boer's reflections on his tenure to come in the closing SBI plenary next Wednesday afternoon.