

## SB 36 AND AWG HIGHLIGHTS: MONDAY, 14 MAY 2012

The Bonn Climate Change Conference opened on Monday. In the morning and afternoon, opening plenaries of the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) took place.

### SBI

**ORGANIZATIONAL MATTERS:** On the agenda (FCCC/SBI/2012/1), MALAYSIA, supported by CHINA, BRAZIL, EGYPT, INDIA and others, highlighted the sensitivity of the agenda sub-item on information contained in non-Annex I national communications. BRAZIL, INDIA, SAUDI ARABIA, SWAZILAND, SUDAN and others emphasized that retaining the item in abeyance would constitute the most efficient use of time. Nauru, for the ALLIANCE OF SMALL ISLAND STATES (AOSIS), stressed the need for full substantive discussion on the item and the EUROPEAN UNION (EU) called for compilation and synthesis of information contained in non-Annex I national communications.

SBI Chair Tomasz Chruszczow (Poland) noted that reaching consensus on this issue appeared impossible. He proposed, and parties agreed, to adopt the agenda with the sub-item on information contained in non-Annex I national communications held in abeyance.

**OPENING STATEMENTS:** Algeria, for the G-77/CHINA, stressed the importance of funding for non-Annex I national communications and continuing the Consultative Group of Experts on Non-Annex I National Communications (CGE). He said international consultation and analysis (ICA) should be operationalized in a non-intrusive manner and that the registry for nationally appropriate mitigation actions (NAMAs) must take into account the diversity of developing country actions. The G-77/CHINA called for progress on the review of the Adaptation Fund and development of national adaptation plans, and identified intellectual property rights and the host of the Technology Mechanism as “serious hurdles.”

Nauru, for AOSIS, called for: a compilation and synthesis report on non-Annex I national communications; further elaboration of the NAMA process, including a simplified procedure for least developed countries (LDCs) and small island developing States (SIDS); establishing an international mechanism to address loss and damage at COP 18; and a new programme on Convention Article 6 (education, training and public awareness).

Swaziland, for the AFRICAN GROUP, stressed the importance of: national adaptation plans; loss and damage; and further work on Convention Article 6. He emphasized

the need to avoid focusing on developing country voluntary mitigation actions, and said ICA for developing countries must be kept distinct from international analysis and review (IAR) for developed countries. He also called for equal balance of adaptation projects and removal of the co-financing requirements.

Australia, for the UMBRELLA GROUP, highlighted the importance of measuring, reporting and verification (MRV) and the SBI's role in implementing related decisions. He called for progress on adaptation, and identified the need for a decision on the host of the Technology Mechanism and the creation of an advisory body for the Climate Technology Center and Network (CTCN).

The Republic of Korea, for the ENVIRONMENTAL INTEGRITY GROUP (EIG), called for progress on: the MRV package, ICA technical expert teams; NAMA registry prototype; work programme on loss and damage; candidates to host the Climate Technology Centre (CTC); Adaptation Fund; and review of the design of the commitment period reserve. He urged grouping all matters on response measures under a single agenda item.

The EU called for progress on: national adaptation plans, in particular with relation to LDCs; host of the CTC; capacity-building; NAMA registry; and modalities for the ICA. He highlighted that all issues related to response measures have found “their new home” in the forum on response measures.

Dominican Republic, for the COALITION OF RAINFOREST NATIONS, urged for continued discussion on NAMAs, in particular composition, modalities and procedures of technical experts under ICA, and highlighted the need for full support for developing country national communications. He called for addressing the implementation of REDD+ activities by developing countries and emphasized the lack of funding to operationalize them.

The Gambia, for the LDCs, identified the need for guidance to the Global Environment Facility (GEF) from COP 18 on national adaptation plan formulation in LDCs. He stressed the importance of all parties being able to access information on available NAMA support in the NAMA registry.

Honduras, for the CENTRAL AMERICAN INTEGRATION SYSTEM (SICA), called for progress on: adaptation in regions of high vulnerability enabled by adequate, predictable, sustained and additional financial resources; and the work programme on loss and damage that should focus on harm prevention and reduction rather than risk assessment. IRAN supported the candidacy of the Research Institute for Petroleum Industries (Iran) to host the CTC.

YOUTH suggested a permanent programme on Convention Article 6 with robust performance indicators and urged for action to address loss and damage.



**CONVENTION ARTICLES 4.8 AND 4.9: Matters related to LDCs:** SBI Chair Chruszczow introduced the item (FCCC/SBI/2012/7). Least Developed Country Expert Group (LEG) Chair Pepetua Latasi reported on the LEG's work. The Gambia, for the LDCs, and Bangladesh, for the G-77/CHINA, called for support for the full implementation of national adaptation programmes of action (NAPAs).

Colin Beck (Solomon Islands) will facilitate informal consultations.

**CONVENTION ARTICLE 6 (education, training and public awareness):** On this item (FCCC/SBI/2012/3-5, FCCC/SBI/2012/Misc.4 and FCCC/CP/2011/7/Add.2), Tony Carret (EU) will consult informally.

**ANNEX I NATIONAL COMMUNICATIONS:** The Secretariat introduced the report on the status of Annex I fifth national communications (FCCC/SBI/2012/INF.6), compilation and synthesis of the fifth national communications (FCCC/SBI/2011/INF.1 and Add. 1-2) and compilation and synthesis of supplementary information from Protocol parties (FCCC/SBI/2001/INF.2).

BOLIVIA stressed that Annex I national communications must contain more detail and expressed concern that some non-EIT countries' emissions were "camouflaged" by EIT emissions.

Julia Martinez (Mexico) and Kiyoto Tanabe (Japan) will consult informally.

**Further implementation of Convention Article 12.5 (frequency of national communications):** SBI 36 agreed to conclude consideration of the matter.

**NON-ANNEX I NATIONAL COMMUNICATIONS: Consultative Group of Experts on Non-Annex I National Communications (CGE):** On this item (FCCC/SBI/2012/2, FCCC/SBI/2012/12-14 and FCCC/SBI/2012/MISC.6), CGE Chair Ruleta Camacho (Antigua and Barbuda) reported on progress in implementing the CGE's work programme. Nauru, for AOSIS, supported by Tanzania, for the AFRICAN GROUP, highlighted the need to extend the CGE's term at least until 2016 and said its mandate should encompass a number of roles.

**Financial and technical support:** On this issue (FCCC/SBI/2012/INF.7 and FCCC/SBI/2012/MISC.7), the GEF reported on funding available for non-Annex I national communications and biennial update reports. The PHILIPPINES raised concerns over agreed full cost funding. She also emphasized that COP 17 did not give the SBI a mandate to start work on biennial update reports.

Julia Martinez (Mexico) and Kiyoto Tanabe (Japan) will consult informally on the CGE and financial and technical support.

**Further implementation of Convention Article 12.5 (frequency of national communications):** SBI 36 agreed to conclude consideration of the matter.

**NATIONALLY APPROPRIATE MITIGATION ACTIONS BY DEVELOPING COUNTRY PARTIES: Prototype of the Registry:** The Secretariat introduced the item, inviting parties to a demonstration of the prototype registry on Tuesday afternoon.

Elina Bardram (the EU) and Wondwossen Sintayehu (Ethiopia) will co-chair a contact group.

**Composition, modalities and procedures of the team of technical experts under ICA:** On this issue (FCCC/SBI/2012/MISC.8) the PHILIPPINES stressed the need to link it to the provision of resources.

Elina Bardram (the EU) and Wondwossen Sintayehu (Ethiopia) will co-chair a contact group.

**NATIONAL ADAPTATION PLANS:** On this issue (FCCC/SBI/2012/8 and MISCs.1-2, and Add.1 and MISC. 3), Richard Merzian (Australia) and Amjad Addulla (Maldives) will co-facilitate informal consultations.

**MATTERS RELATING TO FINANCE: Initial review of the Adaptation Fund:** The Secretariat introduced the item (FCCC/SBI/2012/INF.2, FCCC/KP/CMP/2011/MISC.1, FCCC/KP/CMP/2011/6 and FCCC/KP/CMP/2011/6/Add.1). The PHILIPPINES encouraged review of the Adaptation Fund, interim institutional arrangements and all related matters under the Convention and the Protocol. Bangladesh, for the G-77/CHINA, and Malawi, for the LDCs, welcomed a full initial review.

Ruleta Camacho (Antigua and Barbuda) and Diane Barclay (Australia) will co-chair a contact group on this issue and other matters relating to finance.

**TECHNOLOGY TRANSFER: Report of the Technology Executive Committee (TEC):** This issue (FCCC/SB/2012/1) will be considered in a joint SBI/SBSTA contact group co-chaired by Carlos Fuller (Belize) and Zitouni Ould-Dada (United Kingdom).

**Matters Relating to the Climate Technology Center and Network:** On this issue (FCCC/SBI/2012/INF.4), the Secretariat announced three shortlisted candidates to host the CTC: a UNEP-led consortium, the GEF and Det Norske Veritas AS. IRAN asked how the CTCN will address regional technology issues.

Carlos Fuller (Belize) and Zitouni Ould-Dada (United Kingdom) will co-chair a contact group.

**Poznan Strategic Programme on Technology Transfer:** The item (FCCC/SBI/2012/9) will be considered in a contact group co-chaired by Carlos Fuller (Belize) and Zitouni Ould-Dada (United Kingdom).

**LOSS AND DAMAGE:** On this issue (FCCC/SBI/2012/INF.3 and FCCC/TP/2012/1), NAURU stressed the importance of the item for AOSIS and said discussions on an international mechanism on loss and damage should start already at the current session. TIMOR LESTE stressed the importance of addressing risk assessment and key methodologies in particularly vulnerable LDCs. He identified the need for financial support for expert meetings on loss and damage preceding COP18.

Don Lemmen (Canada) and Lucas Di Pietro (Argentina) will consult informally.

**FORUM AND WORK PROGRAMME ON RESPONSE MEASURES, PROTOCOL ARTICLE 3.14 (adverse effects) and PROGRESS ON THE IMPLEMENTATION OF DECISION 1/CP.10:** These issues will be considered in a joint SBI/SBSTA forum operating as a contact group on all issues related to response measures.

**CAPACITY BUILDING (CONVENTION):** SBI Chair Chruszczow introduced the item (FCCC/SBI/2012/10, FCCC/SBI/2012/MISC.5).

UKRAINE expressed concern that all issues had not been adequately reflected and called for further work.

Kunihiko Shimada (Japan) will facilitate informal consultations.

**CAPACITY BUILDING (PROTOCOL):** On this issue (FCCC/SBI/2012/10, FCCC/SBI/2012/MISC.5), Kunihiko Shimada (Japan) will facilitate informal consultations.

**COMPLIANCE:** SBI Chair Chruszczow will consult interested parties on this issue (FCCC/KP/CMP/2005/2).

**APPEALS AGAINST CDM EXECUTIVE BOARD DECISIONS:** This issue (FCCC/SBI/2011/17, Annex 1, FCCC/SBI/2011/MISC.2, FCCC/TP/2011/3 and FCCC/KP/CMP/2011/3) will be considered in a contact group co-chaired by Kunihiko Shimada (Japan) and Yaw Osafo-Osafo (Ghana).

**REVIEW OF THE COMMITMENT PERIOD RESERVE:** On this issue, Nauru, for AOSIS, expressed doubt as to whether a redesign is needed and stressed that discussions on this issue should not prejudice AWG-KP outcomes.

SBI Chair Chruszczow will prepare draft conclusions and a draft CMP decision.

**ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS:** QATAR reported on the status of arrangements for COP 18 and CMP 8. A contact group chaired by SBI Chair Chruszczow will prepare draft conclusions.

**ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: Budget performance for the biennium 2012-2013.** On this issue (FCCC/SBI/INF.5), UNFCCC Executive Secretary Christiana Figueres emphasized that timely contributions are crucial. The SBI took note of the status of contributions and requested that parties make their outstanding contributions.

**Continuing review of the Secretariat's functions:** The SBI took note of the available information.

**Implementation of the Headquarters Agreement:** On the Secretariat's office facilities, Germany reported that the new premises would be handed over on the UN Day on 24 October 2012. She noted that the second office premises would be ready for occupation in 2017 and that the World Conference Center was scheduled for completion in 2013.

The SBI Chair will draft conclusions and decisions.

**Transaction log fees:** This issue (FCCC/TP/2010/1, FCCC/SBI/2009/MISC.3 and Add.1, FCCC/SBI/2010/MISC.4, FCCC/KP/CMP/2011/7 and Corr.1, FCCC/KP/CMP/2010/8 and FCCC/KP/CMP/2009/19) will be considered during informal consultations facilitated by Toshiyuki Nagata (Japan).

**Privileges and Immunities:** Kunihiko Shimada (Japan) will facilitate informal consultations.

**Policy and budgetary implications of funding travel and participation in meetings of the constituted bodies of all members and alternate members:** Informal consultations will be held on this issue (FCCC/SBI/2012/INF.1).

**OTHER MATTERS:** The RUSSIAN FEDERATION, supported by the US, proposed a contact group to consider procedural issues related to the Standing Committee and other institutions, as well as nominations to those institutions. He stressed the need to resolve systemic legal issues in a transparent consultative process. The EU opposed the proposal, stating that the issue should be taken up in informal consultations within regional groups. The SBI Chair will consult informally.

The interim Secretariat of the Green Climate Fund (GCF) reported that the UNFCCC and the GEF had provided technical, administrative and logistical support for the GCF Board and the GCF. He noted that all arrangements were provisional to allow the Board to exercise authority over the interim Secretariat. On the host country for the GCF, he observed that Germany, Mexico, Namibia, Poland, the Republic of Korea and Switzerland had expressed an interest in hosting the GCF. Delegates were also briefed on the status of nominations for the GCF Board membership and plans for its first meeting from 31 May to 2 June in Geneva, Switzerland.

### SBSTA

**ORGANIZATIONAL MATTERS:** Parties adopted the agenda and organization of work (FCCC/SBSTA/2012/1) with minor amendments.

**OPENING STATEMENTS:** Algeria, for the G-77/CHINA, called for, *inter alia*: further discussion on agriculture and adaptation; and identification of potential areas of future work under the the Nairobi Work Programme on Impacts, Vulnerability and Adaptation (NWP). She called for balanced discussions on implementation of market- and non-market approaches regarding the drivers of deforestation and forest degradation.

Highlighting methodological issues, the EU called for ensuring the continuity of rules, institutions and mechanisms under the Kyoto Protocol during the interim period between the first commitment period and the entry into force of the second commitment period.

Swaziland, for the AFRICAN GROUP, called for a decision on the host of the CTC based on, *inter alia*, capacity to respond to developing country needs.

Australia, for the UMBRELLA GROUP, supported discussions on agriculture and adaptation, and welcomed the enhancement of environmental integrity and transparency on REDD+ and market- and non-market approaches.

The Gambia, for the LDCs, underscored the need for a three-year work programme on agriculture to include international cooperation on research and development of climate resilient agricultural systems and disseminate research outcomes and technology outputs. He urged the TEC to build on previous work to achieve action-oriented outputs that address barriers and scale up technology transfer to developing countries.

Nauru, for AOSIS, underscored the need for data to ascertain loss and damage in SIDS due to climate change and sea-level rise.

Papua New Guinea, for the COALITION OF RAINFOREST NATIONS, called for the implementation of REDD+ activities and cautioned against reopening discussion on agreed issues concerning REDD+ and NAMAs.

Mexico, for the EIG, called for progress on: MRV, especially regarding guidelines for the reporting of domestically supported NAMAs; methodological guidance on REDD+; methodological work on good practice guidance on land use, land-use change and forestry (LULUCF); and grouping all matters related to response measures under a single agenda item.

Bolivia opposed the abuse of the flexibility mechanisms under the Protocol.

The Climate Action Network (CAN), for ENGOs, suggested that information on fossil fuels be included in national communications and underscored the relevance of climate change resilient agriculture, in particular for developing countries.

The FARMERS' CONSTITUENCY supported the adoption of an agriculture work programme under the SBSTA, informed by science and local farmers' knowledge and with participation of, *inter alia*, farmers' organizations.

**NAIROBI WORK PROGRAMME (NWP):** SBSTA Chair Muyungi reported on progress under the NWP (FCCC/SBSTA/2012/INF.1). The EU welcomed significant progress since the last report. The SBSTA Chair will consult interested parties.

**METHODOLOGICAL GUIDANCE FOR REDD+:** SBSTA Chair Muyungi introduced the item (FCCC/SBSTA/2012/MISC.1 and ADD.1, and FCCC/SBSTA/2012/MISC.9). The Democratic Republic of the Congo, for CENTRAL AFRICA FORESTS COMMISSION (COMIFAC), said MRV modalities should ensure coherence, transparency and comparability of information, as well as consider national capacities and circumstances. INDONESIA called for equal progress on REDD+ issues under both the SBSTA and AWG-LCA, and suggested considering countries' existing forest monitoring systems.

Peter Graham (Canada) and Victoria Tauli-Corpuz (the Philippines) will co-chair a contact group.

**TECHNOLOGY TRANSFER AND REPORT OF THE TECHNOLOGY EXECUTIVE BOARD (TEC):** On this issue (FCCC/SB/2012/1), Carlos Fuller (Belize) and Zitouni Ould-Dada (UK) will co-chair a joint SBI and SBSTA contact group.

**METHODOLOGICAL ISSUES (CONVENTION):** Helen Plume (New Zealand) and Quiang Liu (China) will co-chair a contact group on the work programme on developed country biennial reporting guidelines and work programme on the revision of guidelines for the review of biennial communications and national communications, including national inventory reviews. They will also co-chair a contact group on general

guidelines for domestic MRV of domestically supported NAMAs. Michael Gytarsky (the Russian Federation) will conduct informal consultations on the common metrics.

**Emissions from international aviation and maritime transport:** On this issue (FCCC/SBSTA/2012/MISC.7), the International Maritime Organization (IMO) reported on its work to improve energy efficiency in international maritime transport.

BRAZIL expressed concern regarding the unilateral treatment of emissions in specific regional systems and identified the need to further consider the economic impacts of market-based measures. CHINA noted that the IMO's ship energy efficiency regulations do not reflect the principle of common but differentiated responsibilities in a full and objective manner, and requested that the International Civil Aviation Organization (ICAO) consider countries' differentiated responsibilities. SINGAPORE, supported by PANAMA, welcomed progress made by the IMO and ICAO in addressing climate change in their respective sectors.

JAPAN acknowledged the series of guidelines adopted by the IMO Marine Environment Protection Committee as helpful. The EU welcomed ICAO's effort to accelerate work towards a global market-based mechanism and encouraged parties to support IMO's efforts to assess options for such a mechanism. CUBA, on behalf of several countries, expressed concern with respect to unilateral measures in relation to aviation emissions, such as under the EU Emissions Trading Scheme. AUSTRALIA welcomed ICAO's shift towards a more action-oriented "implementation mode" and underscored the need for the universal application of market-based measures.

SBSTA Chair Muyungi will consult with interested parties and prepare SBSTA conclusions.

**RESEARCH AND SYSTEMATIC OBSERVATION:** On this issue (FCCC/SBSTA/2012/MISC.2 and Add.1-2, FCCC/SBSTA/2012/MISCs.3-4), the World Meteorological Organization reported on the Draft Implementation Plan and Governance Structure of the Global Framework for Climate Service. The Global Climate Observing Services described elements of the Satellite Supplement. The Intergovernmental Panel on Climate Change (IPCC) highlighted elements of the paper on the framework for a new generation of socioeconomic scenarios for climate change impact, adaptation, vulnerability and mitigation research.

Stefan Rosner (Germany) and David Lesolle (Botswana) will facilitate informal consultations.

**METHODOLOGICAL ISSUES (PROTOCOL): Carbon Capture and Storage (CCS) under the Clean Development Mechanism (CDM):** On this issue (FCCC/SBSTA/2012/MISC.8 and Add. 1-2), Peer Stiansen (Norway) and a co-facilitator to be announced will draft conclusions.

**Forests in Exhaustion under the CDM:** On this issue, BRAZIL reiterated the importance of the CDM in promoting sustainable development and proposed that definition of forests in exhaustion included in Annex 3 of the CDM Executive Board 50's proposed agenda should be used as a basis of discussion.

Eduardo Sanhueza (Chile) will facilitate informal consultations.

**LULUCF under the CDM:** The IPCC reported on supplementary methodologies and a scoping meeting held by the IPCC Task Force on Greenhouse Gas Inventories, which adopted a proposal to produce the 2014 revised supplementary methods and good practice guidance arising from the Kyoto Protocol.

Peter Iversen (Denmark) and Marcelo Rocha (Brazil) will co-chair a contact group.

**Implications of the Implementation of Decision 2/CMP.7 (LULUCF) and Decision 5/CMP.7 (information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and**

**methodologies available to Annex I parties):** Nagmeldin Elhassan (Sudan) and Anke Herold (Germany) will co-chair a contact group.

**FORUM AND WORK PROGRAMME ON RESPONSE MEASURES:** The SBI and SBSTA Chairs will consult on this issue.

**PROTOCOL ARTICLE 2.3 (adverse impacts of policies and measures):** SBSTA Chair Muyungi proposed that discussions on this issue move forward under the forum on response measures. SAUDI ARABIA opposed, stressing the need for the adverse impacts of policies and measures to be treated as a separate item.

The SBI and SBSTA Chairs will continue consultations on how to address this issue in the future, while the issue will also be taken up in a joint SBI/SBSTA forum operating as a contact group where all issues related to response measures will be addressed.

**AGRICULTURE:** The Secretariat introduced the item (FCCC/SBSTA/2012/MISC.6 and Add. 1-2). The GAMBIA proposed considering agriculture through workshops and expert meetings. URUGUAY stressed the need for measures that reduce intensity of emissions from the sector.

SBSTA Chair Richard Muyungi will chair a contact group.

**SCIENTIFIC, TECHNICAL AND SOCIOECONOMIC ASPECTS OF MITIGATION:** The SBSTA agreed to consider this issue at SBSTA 38.

**COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS:** On this issue (FCCC/SBSTA/2012/INF.3), the IPCC, UN Convention to Combat Desertification and the Convention on Biological Diversity reported on collaboration with the UNFCCC, and identified potential areas for future work and synergies.

The SBSTA Chair will prepare conclusions.

### IN THE CORRIDORS

The Bonn Climate Change Conference opened on a sunny Monday morning. The mood of delegates gathering in the familiar surroundings of the Maritim Hotel was positive, although many joked that they now know the city and conference venue by heart. "We've had nearly a 6-month break in the formal negotiations, but many of us have already been spending quite a bit of time in Bonn recently for workshops and the informal meeting in early May."

While the surroundings were well-known, there was also a feeling of anticipation regarding the post-Durban process, including the newly established ADP. Many commented that they were looking forward to commencing work under the new ADP on Wednesday; however, few seemed to have a clear sense of the timeline and substance. Meanwhile, the various new bodies were generating new dynamics in the process, ripe with rumors that nominations were proving difficult. This was confirmed in the evening, with the SBI plenary finishing business for the day without having resolved the process of how nominations for the various bodies should be considered.

As the SBs opened, technology was very much on the agenda. Along with the ubiquitous iPads and iPhones sported by delegates, technology permeated conversation in the corridors with delegates expressing different views on the host of the CTC. The importance of resolving the issue came up in the SBSTA, SBI and a press conference with UNFCCC Executive Secretary Christiana Figueres. Some delegates favored the Caribbean as host, others emphasized the need for the CTC to be in a developing country, while one recommendation noted the Republic of Korea as an option due to their technological advancements. Whatever the case, technology will remain a key part of the climate conversation in Bonn.