



## UNFCCC COP-9 HIGHLIGHTS: TUESDAY, 2 DECEMBER 2003

Delegates to COP-9 continued to convene in meetings of the SBSTA and SBI, and in contact and informal groups. The SBSTA considered methodological issues, including LULUCF, development and transfer of technology, good practices in policies and measures (P&Ms), research and systematic observation (R&SO), and cooperation with relevant international organizations. The SBI discussed financial matters, including the programme budget for 2004-5 and the SCCF, as well as: capacity building; UNFCCC Article 6 (education, training and public awareness); implementation of UNFCCC Article 4.8 and 4.9 (adverse effects); and non-Annex I national communications. A contact group on methodological issues met in the evening to address the review of methodological work under the UNFCCC and Protocol.

### SBSTA

**METHODOLOGICAL ISSUES: Sinks in the CDM:** Chair Thorgeirsson noted progress on definitions and modalities on LULUCF projects under the CDM. The EU welcomed the perceived convergence towards temporary crediting and, with TUVALU, underscored the importance of socioeconomic and environmental impact criteria. CANADA recommended an insurance approach. SENEGAL, BOLIVIA, BURKINA FASO and THAILAND stressed the importance of small-scale projects that benefit local communities. BRAZIL, for the G-77/CHINA, noted a proposal submitted on socioeconomic and environmental criteria. BOLIVIA, with INDIA and CHINA, cautioned against internationally imposed criteria conflicting with national laws.

### Good practice guidance and other information on

**LULUCF:** The IPCC presented its relevant work, including a report on Good Practice Guidance (GPG) for LULUCF and work on factoring out direct human-induced changes in carbon stocks from indirect human-induced and natural effects, and noted difficulties in providing a practical methodology for factoring out for a broad range of LULUCF activities. TUVALU, for AOSIS, stressed the need for consultation with national experts. The US said the IPCC should not be engaged further in GPG as current scientific knowledge is insufficient to develop comprehensive methodologies. Chair Thorgeirsson said Margaret Mukahanana-Sangarwe (Zimbabwe) and Audun Rosland (Norway) will co-chair a contact group to develop conclusions on the GPG.

**Harvested wood products:** Chair Thorgeirsson introduced a technical paper on estimation, harvesting and accounting of harvested wood products. The US suggested that Parties distinguish between exporting and importing in their reporting, while TUVALU, for AOSIS, cautioned against approaches not accounting for products harvested in developing countries and transferred to developed countries. Parties agreed that this is an issue for the second commitment period and to consider this at SBSTA-20.

**Issues relating to registry systems under Protocol Article 7.4:** Reporting on pre-session consultations on registries, Murray Ward (New Zealand) emphasized the importance of cooperation between administrators of registries and of the transaction log.

**TECHNOLOGY TRANSFER:** The Secretariat presented the UNFCCC technology information clearing house (TT: CLEAR). William Kojo Agyemang-Bonsu, EGTT Chair, presented results of the recent EGTT meetings, including its proposed work programme for 2004. MALAYSIA, for the G-77/China, said developed countries have taken insufficient steps in developing enabling environments, and expressed concern at the EGTT's limited financial resources. BELIZE proposed the establishment of a "technology development expert group." CANADA emphasized partnerships between governments and the private sector. Chair Thorgeirsson said Terry Carrington (UK) and Kishan Kumarsingh (Trinidad & Tobago) would co-chair a contact group.

**P&MS:** The EU urged Parties to submit reports to the Secretariat on demonstrable progress and asked SBSTA to identify priority activities and develop a work programme on good practices. SBSTA agreed that Richard Muyungi (Tanzania) and Greg Terrill (Australia) would conduct informal consultations.

**R&SO:** The Global Climate Observing System (GCOS) emphasized steps to initiate an implementation plan and the establishment of a GCOS Cooperation Mechanism to improve global observing systems in developing countries. URUGUAY and BANGLADESH highlighted the usefulness of regional cooperation, and AUSTRALIA called for national efforts in climate observing systems. SAUDI ARABIA urged advances in modeling impacts of response measures. The COOK ISLANDS, for AOSIS, underscored the need for financial and technical resources. The EU and SWITZERLAND emphasized the importance of historical data sets. Chair Thorgeirsson said Sue Barrell (Australia) and Philip Gwage (Uganda) would chair a contact group.

**COOPERATION WITH RELEVANT ORGANIZATIONS:** The CBD outlined relevant outcomes of the ninth meeting of its Subsidiary Body on Scientific, Technical and Technological Advice, and presented key findings of the report of its *Ad Hoc* Technical Expert Group on biological diversity and climate change. The CCD said its recent COP-6 adopted a decision encouraging the Joint Liaison Group to identify further areas of joint activities.

The IPCC said the deadline for nominating experts to contribute to the Fourth Assessment Report is 20 January 2004. The UN Inter-Agency Secretariat for the International Strategy for Disaster Reduction outlined its work on mainstreaming climate change adaptation into disaster reduction strategies. TUVALU, with the EU, NEPAL and SWITZERLAND stressed the importance of cooperation with other conventions regarding LULUCF activities.

**SBI****ADMINISTRATIVE AND FINANCIAL MATTERS:**

**Interim financial performance:** SWITZERLAND noted concern over the high reliance on voluntary contributions to priority activities in the core budget.

**Programme budget for the biennium 2004-5:** JAPAN stressed its support for a nominal zero growth budget. The EU underlined the importance of adequate and secure resources, and proposed that the COP consider the adoption of the Euro as the currency for future budgets. The US reiterated its concerns regarding the structure and level of the budget and opposed the inclusion of the development costs of the Protocol in the Secretariat's core budget. With AUSTRALIA, he called for dividing the UNFCCC and Protocol budgets. Chair Stoycheva said a contact group chaired by John Ashe (Antigua and Barbuda) would prepare draft conclusions and a draft COP decision.

**FINANCIAL MECHANISM: SCCF:** Numerous Parties underscored adaptation, capacity building and technology transfer as priority areas for the SCCF. The EU said the SCCF should be a catalyst for leveraging additional resources from bilateral and multilateral sources. CHINA urged the establishment of a procedure for the replenishment of the SCCF. Chair Stoycheva said a contact group, co-chaired by Rawleston Moore (Barbados) and Frode Neergaard (Denmark), would prepare a draft COP decision.

**Report of the GEF:** The GEF highlighted its initiatives on climate change. TANZANIA, for the LDCs, urged an expedited procedure for the approval of LDC national adaptation programmes of action. CHINA and BRAZIL sought accelerated funding of second national communications. ALGERIA expressed concern about lack of progress and funding. Chair Stoycheva said she would prepare a draft COP decision.

**Additional guidance to the GEF:** Chair Stoycheva requested Andrea Albán (Colombia) to undertake informal consultations in coordination with the relevant contact group chairs, and prepare a draft omnibus COP decision.

**CAPACITY BUILDING:** The G-77/CHINA, opposed by the US, called for the development of performance indicators to monitor progress in implementing relevant COP decisions. JAPAN urged greater coordination between the GEF and UNFCCC, and several Parties highlighted the need to document best practice and lessons learned. Chair Stoycheva said that a contact group, chaired by Dechen Tsering (Bhutan), would prepare draft conclusions and a draft COP decision.

**ARTICLE 6:** The EU suggested that Parties include information in their national communications on obstacles to implementing Article 6. The US highlighted the need for a country-driven focus, and CHINA called for technical and financial assistance. Several Parties highlighted the importance of regional workshops. Chair Stoycheva requested Markus Nauser (Switzerland) to conduct informal consultations and prepare draft conclusions and a COP decision.

**REQUEST BY CENTRAL ASIA, THE CAUCASUS, ALBANIA AND MOLDOVA GROUP (CACAM):** UZBEKISTAN requested a COP decision to enable CACAM to receive financial support and its experts to be nominated and participate in expert groups. Chair Stoycheva said she would conduct informal consultations on the issue.

**OTHER MATTERS: Proposal by Croatia on LULUCF and special circumstances of Croatia:** CROATIA stressed the importance of resolving the issue of its special circumstances under UNFCCC Article 4.6 (special circumstances of EITs) and called for the continuation of informal negotiations on the issue. BOSNIA AND HERZEGOVINA and SERBIA AND MONTENEGRO said that the Croatian emissions estimates and projections are based on emissions not originating in Croatia's territory. CROATIA pointed to new emissions estimates and projections that do not include emissions from neighboring countries, noting that the concerns of Bosnia and Herzegovina and Serbia and Montenegro are no longer relevant. Chair Stoycheva said Jim Penman (UK) would undertake informal consultations.

**Status report on the review of third Annex I national communications:** The Secretariat said 36 Annex I Parties have submitted national communications. Parties took note of this agenda item.

**Any other matters:** On a proposal by Belarus to use 1990 as its base-year, the EU said only COP/MOP has authority to decide on the issue. He sought clarification on the proposal, as the new base-year would imply a large quantity of hot air. Chair Stoycheva said she would prepare draft conclusions on the issue.

**NON-ANNEX I NATIONAL COMMUNICATIONS: Consideration of the fifth compilation and synthesis of initial national communications:** The US said the document on steps taken by non-Annex I Parties to reduce emissions does not respond appropriately to the relevant requests made by COP-8 and SBI-18. Chair Stoycheva recalled that a contact group chaired by S.N. Sok Appadu (Mauritius) would consider this issue.

**IMPLEMENTATION OF ARTICLE 4.8 AND 4.9: Matters relating to LDCs:** La'avasa Malua (Samoa), Chair of the LDC Expert Group (LEG), outlined outcomes of the LEG's activities, noting that many LDC stakeholders have expressed the need for longer-term support. Richard Muyungi (Tanzania), Chair of the LDCs, said implementation of the LDC work programme has begun, but numerous elements of the programme remain incomplete. BANGLEDESH, with the EU and CANADA, supported the extension of the LEG's mandate, and, with CANADA, highlighted complementarity between the LDC Fund and the SCCF. Chair Stoycheva said Mamadou Honadia (Burkina Faso) and José Romero (Switzerland) will facilitate informal consultations on this matter and prepare a draft COP-9 decision.

**CONTACT GROUPS**

**METHODOLOGICAL ISSUES:** This contact group, co-chaired by Jim Penman and Brian Challenger (Antigua and Barbuda) addressed elements of a possible future work programme. Co-Chair Penman suggested distilling the essence of proposed new elements and reducing overlaps. SAUDI ARABIA, opposed by the US, said proposals based on current and planned activities should also be discussed. The EU recommended rationalizing the proposals and preparing a draft decision. The US said work is only at the information stage and voiced concerns about duplicating work. NEW ZEALAND urged a strategic approach. On a proposal for a data interface, AUSTRALIA suggested initiating a pilot phase. The G-77/CHINA said limited resources require selection of priorities and MALAYSIA urged consideration of capacity building. On examination of proposed new elements, the G-77/CHINA, opposed by CANADA and the US, supported clustering items.

**IN THE CORRIDORS**

Affected by an apparently smooth second day of meetings, and possibly still disoriented by the labyrinth-like Fiera conference halls, it appeared that some participants were sleepwalking this afternoon. The quiet atmosphere may, however, only be the calm before the storm. Although the winds outwardly appear to have been blowing favorably for the LULUCF negotiations so far, it remains to be seen how delegates will react when confronted with the many draft decisions that will be developed over the next few days.

**THINGS TO LOOK FOR TODAY**

**SBSTA:** The SBSTA will convene at 10:00 am in Plenary I to address cooperation with relevant organizations and other matters.

**SBI:** The SBI will meet at 11:00 am in Plenary I to continue discussing the programme budget for 2004-5, organizational matters, and the two agenda items held in abeyance on non-Annex I national communications and implementation of Article 4.8.

**CONTACT GROUPS:** Contact groups will be held throughout the day on: non-Annex I national communications; sinks in the CDM; good practice guidance on LULUCF; capacity building; technology transfer; R&SO; and the SCCF.