



## UNFCCC SB-20 HIGHLIGHTS: TUESDAY, 22 JUNE 2004

Delegates to SB-20 met in numerous SBSTA and SBI contact groups throughout the day on Tuesday. In the morning, Parties discussed good practice guidance (GPG) on LULUCF, capacity building, research and systematic observation (R&SO), and UNFCCC Article 6 (education, training and public awareness). In the afternoon, delegates addressed non-Annex I national communications, technology transfer, small-scale afforestation and reforestation (A&R) project activities under the CDM, and scientific, technical and socioeconomic aspects of impacts of, and vulnerability and adaptation to, climate change (adaptation). In the evening, Parties met to discuss policies and measures (P&Ms), implementation of decision 5/CP.7 (implementation of UNFCCC Article 4.8 and 4.9 on adverse effects), and scientific, technical and socioeconomic aspects of mitigation (mitigation).

*Earth Negotiations Bulletin* coverage of groups on implementation of decision 5/CP.7 and mitigation ended at 9:30 pm.

### SBSTA CONTACT GROUPS

**LULUCF GPG:** Parties continued deliberations on a draft COP decision. On the common reporting format (CRF), informal group facilitator Maria Sanz (Spain) reported that progress had been made, except for on methods for units for land identification. BRAZIL, for the G-77/China, requested more time to address this matter. CANADA, the RUSSIAN FEDERATION and EU stressed the importance of adopting the CRF at SB-20. The G-77/CHINA, with AOSIS, requested bracketing the title of the draft decision, pending further discussion.

On harvested wood products, Parties agreed to SBSTA draft conclusions outlining the objective of the workshop to be held in Norway in August/September 2004.

On other LULUCF issues, AUSTRALIA, opposed by the EU, G-77/CHINA, AOSIS and CANADA, proposed alternative text on recommending a COP and COP/MOP draft decision to exclude degradation and devegetation in the first commitment period.

On factoring out, the US and JAPAN, opposed by the G-77/CHINA and AOSIS, welcomed an alternative proposal by AUSTRALIA and CANADA that addresses LULUCF issues broadly. The G-77/CHINA and AOSIS preferred to base work on the Co-Chairs' proposal. The EU suggested basing discussion on the Co-Chairs' proposal, while also considering Australia's proposal. Co-Chair Audun Rosland said further discussions on GPG and other LULUCF issues would be held in informal meetings.

**R&SO:** This contact group was co-chaired by Stefan Rösner (Germany) and Sok Appadu (Mauritius). Delegates considered draft conclusions. Parties agreed to the US proposal that the GCOS

Secretariat report on support received from the financial mechanisms of the UNFCCC and other bilateral and multilateral agencies, rather than just on support received from the GEF. Delegates discussed timing for the GCOS report on implementing regional action plans relating to global observing, agreeing on SBSTA-21 and subsequent sessions as appropriate. Parties agreed on the importance of further considering the need to assess the adequacy of research activities and international coordination thereof to meet the UNFCCC's needs.

**TECHNOLOGY TRANSFER:** Parties addressed three outstanding paragraphs of the Co-Chairs' draft conclusions, completing their deliberations. Delegates agreed to a reference to the results of the TT:CLEAR survey. Parties also agreed to: request Annex I Parties to provide technical support for technology needs assessments; invite relevant organizations to hold regional workshops to assist developing country Parties in finalizing their technology needs assessment reports; and encourage the organizations to assist developing country Parties in the development of databases of national/regional technology needs assessments. Following a break for informal consultations on the possible elements of a COP-10 decision, Parties agreed to an amended version of the US proposal.

**SMALL-SCALE A&R PROJECTS UNDER THE CDM:** Delegates continued consideration of the non-paper. The INDIGENOUS PEOPLES ORGANIZATIONS called for clearly reflecting, in the project design document, the aim to provide additional benefits to low-income communities based on prior consultation, and for involving local communities and distinguishing project participants from project stakeholders.

Chair Thelma Krug reported on agreement among Parties to address leakage by applying a discount factor under certain circumstances, while assuming non-leakage under others. She also reported that quality assurance and quality control in monitoring would fall under the CDM EB's responsibility.

Reference to bundling remains bracketed throughout the text. TUVALU and several other Parties suggested that wording on project "categories" be clarified. Delegates discussed reference to low-income communities and individuals in the paragraph on the validation by the designated operational entities. This paragraph, as well as Appendix B on baseline and monitoring methodologies, was bracketed and will be addressed in informal consultations.

**ADAPTATION AND MITIGATION:** In the afternoon, delegates considered draft conclusions on adaptation, including topics for consideration at SBSTA-21, namely regional climate modeling, risk perception, and linkages between adaptation and sustainable development. CHINA, opposed by SWITZERLAND, said SBSTA-21 should focus on additional topics, including scientific, technical and socioeconomic aspects of climate change impacts. SUDAN, supported by MALI, suggested addressing



adaptive capacity. BANGLADESH emphasized livelihood adaptation and, with the RUSSIAN FEDERATION, regional climate modeling on impact assessment and prediction. SAUDI ARABIA suggested considering adaptation to impacts of response measures. MALI emphasized the importance of considering poverty reduction. CANADA called for a more detailed focus on sustainable development.

ARGENTINA, supported by SWITZERLAND and SAUDI ARABIA, proposed requesting the Secretariat to compile information on existing regional climate circulation models, methodologies for determining vulnerability, and methodologies for formulating adaptation projects. The EU and US noted potential resource implications. UGANDA, opposed by the US, said decision 10/CP.9 (adaptation and mitigation) mandates SBSTA to do more than merely facilitate information exchange among Parties.

Parties decided to finalize the list of topics at a later stage and agreed to request the Secretariat, under the guidance of the SBSTA Chair, to organize a workshop and in-depth discussion to facilitate the exchange of information and sharing of experiences on them. Delegates also discussed Parties' submissions and workshop reports. Co-Chair Warrilow said informal consultations would address the topics for consideration at SBSTA-21.

In the evening, delegates considered draft conclusions on mitigation, continuing deliberations into the night.

**P&Ms:** Delegates discussed the Co-Chairs' draft conclusions. SAUDI ARABIA, for the G-77/China, requested adding reference to adverse effects of the implementation of P&Ms. The EU, supported by the US, proposed direct wording from decision 13/CP.7 (P&Ms). The G-77/CHINA, with JAPAN and CANADA, welcomed the EU's proposal, but requested it in writing. Co-Chair Tony Surridge said the Co-Chairs would prepare draft conclusions incorporating the proposals to be discussed informally.

### **SBI CONTACT GROUPS**

**CAPACITY BUILDING:** Delegates agreed to the draft conclusions proposed by Chair Dechen Tsering, after references to a technical meeting to complete the first comprehensive review were replaced by references to a meeting of practitioners, to be held at SBI-21. Chair Tsering presented elements for a draft decision to be negotiated at SBI-21. JAPAN said the decision should highlight the activities supported by Annex II Parties. AUSTRALIA proposed reference to future opportunities. TANZANIA, for the G-77/China, called for the review to consider, among other things, how developed countries and the financial mechanism have responded to UNFCCC articles and COP decisions on capacity building. Responding to a query from ROMANIA, Chair Tsering said capacity building in EITs would be addressed in a separate draft decision.

**UNFCCC ARTICLE 6:** Parties discussed draft conclusions presented by Chair Markus Nauser. Delegates discussed whether to include consolidated views of Parties and guidance to the Secretariat on the further development of the UNFCCC information network clearing house for Article 6 in an annex to the conclusions. The Secretariat informed Parties that making a call for tenders for developing the clearing house without assurance of the availability of necessary funds is not feasible. Parties expressed disappointment.

Delegates then discussed the date for submission and content of the reports on implementing the New Delhi work programme, debating whether these should be compiled or synthesized by the Secretariat, and how the information in the reports would relate to information provided in national communications. The G-77/

CHINA requested the inclusion of a paragraph pointing to the availability of GEF funding to support Article 6 activities in non-Annex I Parties.

**NON-ANNEX I NATIONAL COMMUNICATIONS:** Chair Sok Appadu invited delegates to present views on compromise text proposed by the EU following informal consultations, and proposals from the G-77/China, the US and Saudi Arabia. The EU proposal requests non-Annex I Parties to submit funding proposals for national communications even in advance of substantial completion of previous national communications, but not later than one year after the submission of their previous national communications. BRAZIL, for the G-77/China, expressed concern about the one-year deadline.

Responding to a proposal by Chair Appadu calling on non-Annex I Parties to submit national communications every four years, the G-77/CHINA said that while some Group members had considered six years to be a reasonable option, he did not have the mandate of the G-77/China to present this as a formal Group position.

The proposals were compiled and bracketed, along with the EU proposal for a three-year cycle for national communications. Chair Appadu encouraged Parties to consult informally and present written text.

**IMPLEMENTATION OF DECISION 5/CP.7:** Delegates negotiated text compiled from previous discussions and informal consultations. Co-Chair Paul Watkinson pointed out that six paragraphs in the preamble were covered by decision 5/CP.7. The US, supported by the EU, G-77/CHINA and CANADA, agreed to delete the paragraphs, and add text welcoming progress made in the implementation of decision 5/CP.7, while acknowledging the need to address gaps. KENYA, for the G-77/China, suggested additional text to note difficulties in assessing progress.

On financial and technical support, the G-77/CHINA said it would introduce new action-oriented text. PERU highlighted lack of funds for vulnerability and adaptation assessments, and difficulties in proving global benefits of adaptation projects for accessing GEF funds. MICRONESIA, for AOSIS, emphasized data collection, and technologies for adaptation. Delegates discussed the Special Climate Change Fund, and the frequency and format of feedback from the GEF on activities undertaken in response to decision 5/CP.7, including efforts to address or mainstream adaptation within climate change and other GEF focal areas. Discussions continued late into the night.

### **IN THE CORRIDORS**

With completion of negotiations on the draft conclusions on technology transfer, participants' applause appeared far from reality in other contact groups meetings on Tuesday. Traditionally challenging issues continued to be so, including in one group where entire sections of the Marrakesh Accords were copied, to avoid repetition of old controversies. In another, an offer of coffee for participants foresaw that negotiations would continue late into the night.

### **THINGS TO LOOK FOR TODAY**

**SBI CONTACT GROUPS:** UNFCCC Article 6 will convene at 10:00 am in Planck. Non-Annex I national communications will meet at 11:30 am in Haydn. Arrangements for intergovernmental meetings will convene at 11:30 am in Schumann. Implementation of decision 5/CP.7 will meet in Haydn at 5:00 pm.

**SBSTA CONTACT GROUPS:** R&SO will meet at 3:00 pm in Mann. P&Ms will meet in Liszt at 5:00 pm. Small-scale A&R projects under the CDM will meet in Reger at 7:00 pm.