



## UNFCCC SB-22 HIGHLIGHTS: FRIDAY, 20 MAY 2005

The Subsidiary Body for Implementation (SBI) began its twenty-second session on Friday morning, considering its agenda and organization of work before taking up agenda items on non-Annex I national communications and arrangements for intergovernmental meetings. In the afternoon, SBI addressed administrative, budget and financial matters, the financial mechanism, implementation of UNFCCC Article 4.8 and 4.9 (adverse effects), and various other matters. SBSTA contact groups and informal meetings were held on research needs relating to the Convention, the CDM and other environmental treaties, methodologies for adjustments for LULUCF, technology transfer, and issues relating to hydrofluorocarbons and perfluorocarbons.

### SBI

**OPENING OF THE SESSION:** SBI Chair Thomas Becker (Denmark) opened the session. UNFCCC Executive Secretary Joke Waller-Hunter stated that SBI 22 is an opportunity to complete work on various issues left unfinished at COP 10, and to address other items, including improving the intergovernmental process, arrangements for COP 11 and COP/MOP 1, and financial matters.

**ORGANIZATIONAL MATTERS:** Delegates discussed the provisional agenda (FCCC/SBI/2005/1 and Add.1) in detail, particularly additions proposed by SAUDI ARABIA on implementation of UNFCCC Article 4.8 and 4.9 (FCCC/SBI/2005/1/Add.2), and the G-77/CHINA's proposed agenda item on capacity building.

The EU, CENTRAL GROUP and ENVIRONMENTAL INTEGRITY GROUP supported the agenda without amendments, while the AFRICA GROUP and AOSIS supported adding an item on capacity building. The UMBRELLA GROUP opposed Saudi Arabia's proposal and sought more information on the capacity building proposal. SAUDI ARABIA, NIGERIA, OMAN, EGYPT, ALGERIA, QATAR, PAKISTAN, KUWAIT, and UNITED ARAB EMIRATES supported the additions.

Delegates agreed to begin work based on the original provisional agenda while consultations were held. After consultations, Chair Becker asked Parties to adopt the provisional supplementary agenda, with the proposed additional items held in abeyance. However, no agreement was reached and the matter was left unresolved.

**NON-ANNEX I COMMUNICATIONS: Submission of Second and, Where Appropriate, Third National Communications:** The Secretariat explained that talks held during SBI 21 and COP 10 on timelines for the preparation of national communications from non-Annex I Parties were not conclusive, and that a draft text (FCCC/SBI/2004/L.27) had been referred to SBI 22. The EU noted significant progress on the issue at COP 10 and, with the US, recommended adopting

the draft text. The G-77/CHINA proposed further informal consultations. Soobaraj Nayroo Sok Appadu (Mauritius) and Anders Turesson (Sweden) convened informal consultations.

**Work of the Consultative Group of Experts (CGE) on Non-Annex I Communications:** CGE Chair Emily Ojoo-Massawa (Kenya) reported on the CGE's activities (FCCC/SBI/2005/7). She described a series of training workshops on inventories for the Latin America and Caribbean region and Asia, and on vulnerability assessments for African countries. REPUBLIC OF KOREA described plans to host a CGE workshop on mitigation assessment from 26-30 September 2005. The US invited other Parties to provide financial support for the CGE. SWITZERLAND noted the potential role of the Secretariat, the UNDP and UNEP in helping Parties to utilize the knowledge acquired at CGE workshops. He called for avoidance of duplication of work, the reinstatement of a budget line for a fourth CGE meeting in the next biennium, and support from other donors for the national communications support programme.

**Compilation and Synthesis of Initial National Communications:** The Secretariat noted inconclusive discussions at SBI 21 and COP 10 on guidance to the GEF on this issue (FCCC/SBI/2005/INF.2 and FCCC/SBI/2004/L.23). Parties agreed to hold informal consultations.

**Provision of Financial and Technical Support:** The Secretariat briefed Parties on this issue (FCCC/SBI/2005/INF.1 and INF.3). The Chair noted that draft conclusions will be prepared in consultation with interested Parties.

**ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: COP 11 and COP/MOP I:** Secretary of the COP Richard Kinley briefed delegates on preparations for COP 11 and COP/MOP I in Montreal (FCCC/SBI/2005/4 and Corr.1). AUSTRALIA questioned the need for an agenda item on UNFCCC Article 4.8 and 4.9 at COP 11. SAUDI ARABIA was satisfied with the current draft agenda. KENYA, AOSIS, TANZANIA and others raised concerns about visa issues.

**Future Sessional Periods:** Richard Kinley noted an IPCC request to postpone COP 13 for three or four weeks to avoid it occurring too soon after the Fourth Assessment Report is finalized. The EU supported this request, while the US questioned whether it was necessary.

**Organization of the Intergovernmental Process:** Richard Kinley noted a recent workshop on ways to improve the organization of the intergovernmental process (FCCC/SBI/2005/2). Several Parties commented on the heavy workload at sessional meetings. SWITZERLAND questioned a proposal to hold intersessional bilateral discussions on transparency grounds, and supported "clustering" issues on the agenda.

**Observer Organizations in the Convention Process:** Richard Kinley noted ongoing work in the UN on the involvement of civil society. The US noted that the UN Secretary-General's report on civil society involvement is still



being considered in the General Assembly. The EU suggested that current UNFCCC practices in this area are balanced and transparent. Several Parties suggested taking up this matter in 2007 or 2008. Karsten Sach (Germany) will chair a contact group on all issues under this agenda item.

#### **ADMINISTRATIVE AND FINANCIAL MATTERS:**

**Budget Performance for the Biennium 2004-2005:** The Secretariat presented on its financial situation (FCCC/SBI/2005/INF.4), underscoring a funding shortfall. The Chair will consult informally and develop conclusions.

**Programme Budget for the Biennium 2006-2007:** The EU, opposed by the US and JAPAN, supported the Secretariat's proposal to compensate for US dollar depreciation by fixing the budget in Euros. John Ashe (Antigua and Barbuda) will chair a contact group.

**Implementation of Paragraph 7(c) of the UNFCCC's Financial Procedures (Financial Support for Participation):** The Secretariat recalled that its practice of withholding funding to Parties from the Trust Fund for Participation in the UNFCCC process if they had outstanding contributions to the core budget was suspended at the request of SBI 19. SBI 19 also requested the Secretariat to review the financial impacts. He explained that some contributing Parties have introduced their own similar conditions on payment from the Fund. Draft conclusions will be developed following informal consultations.

#### **Implementation of the Headquarters Agreement:**

GERMANY and Joke Waller-Hunter reported on the Headquarters Agreement and progress on extending it to cover the Kyoto Protocol. Draft conclusions will be prepared on this matter.

**Internal Review of the Activities of the Secretariat:** Joke Waller-Hunter reported on an interim review of the Secretariat's activities (FCCC/SBI/2005/6), noting a lack of resources to meet demands, and inviting guidance from Parties. Harald Dovland (Norway) will chair a contact group.

#### **OTHER MATTERS: Level of Emissions for the Base**

**Year of Croatia:** Chair Becker noted that this issue had been on the agenda for several years, and hoped it could be resolved at this meeting. The EU supported CROATIA's proposal for its emissions baselines for 1990, while BOSNIA AND HERZEGOVINA and SERBIA AND MONTENEGRO expressed their reservations. Informal consultations will be chaired by Jim Penman (UK).

**Climate Neutral UNFCCC Meetings:** The US and SAUDI ARABIA opposed a proposal to offset greenhouse gas emissions from UNFCCC meetings (FCCC/SBI/2005/9). MICRONESIA and TRINIDAD AND TOBAGO supported the initiative, and CANADA noted that COP 11 and COP/MOP 1 would be carbon neutral. Chair Becker said he would develop draft conclusions.

**FINANCIAL MECHANISM: Special Climate Change Fund (SCCF):** On the SCCF (FCCC/SBI/2004/L.25), ARGENTINA, SAUDI ARABIA, SOUTH AFRICA and others expressed disappointment that the matter had not been resolved at COP 10. The EU noted its support for SCCF, and its funding pledge on adaptation and technology transfer. BANGLADESH said LDCs should be able to access the SCCF for adaptation. Emily Ojoo-Massawa and Jozef Buys (Belgium) will co-chair a contact group.

#### **UNFCCC ARTICLE 4.8 AND 4.9 (ADVERSE EFFECTS):**

**LDCs:** On LDCs, Paul Desanker (Malawi) briefed delegates on the LDC Expert Group's April 2005 meeting, noting work on National Adaptation Programmes of Action (NAPAs) and its links with LDCs' national communications. Delegates were also briefed by Ricardo Moita (Portugal) and Richard Muyungi (Tanzania) on pre-session discussions involving representatives of various Parties and IGOs. Many parties indicated the need to agree on the operation of the LDC Fund and to move on to implementation. Several LDCs reported that they are finalizing their NAPAs. Bubu Pateh Jallow (Gambia) and Ricardo Moita will chair a contact group to develop draft conclusions and a draft decision.

#### **CONTACT GROUPS**

##### **RESEARCH NEEDS RELATING TO THE**

**CONVENTION:** Delegates stressed the IPCC's importance as an independent scientific body, while underscoring that scientific priorities differ from government research necessities, and the need for mechanisms to address the research gap. CHINA and JAPAN highlighted the importance of social sciences as well as natural sciences. The US said it was difficult to achieve consensus on research priorities, and the EU proposed compiling a summary of research needs. Belize, for the G-77/CHINA, said the mechanism should draw from national contributions. María Paz Cigarán (Peru) and Sergio Castellari (Italy) will hold consultations and prepare draft conclusions and a decision.

##### **CDM AND OTHER ENVIRONMENTAL TREATIES:**

Chair Georg Børsting (Norway) recalled statements made at SBSTA highlighting broad agreement on the need to address perverse incentives for new HCFC-22 plants. CHINA supported coordination between the Montreal and the Kyoto protocols, but said it should not affect their separate implementation. Opposed by BRAZIL, he said SBSTA should provide general rather than technical guidance.

The EU, with BRAZIL, suggested dealing with the problem outside the CDM. Parties agreed to request the Secretariat to prepare an options paper, with the CDM Executive Board, based on Parties' submissions. Delegates will continue informal consultations.

##### **ADJUSTMENTS FOR LULUCF:**

Co-Chair Newton Paciornik (Brazil) reported on an informal group meeting in which delegates had reviewed the "conservativeness factor" tables. Delegates discussed text in the annex of a draft COP 11 and COP/MOP 1 decision (FCCC/SBSTA/2005/2), including on adjustments relating to overestimation of removals from LULUCF activities. A drafting group will continue informal consultations.

**TECHNOLOGY TRANSFER:** Delegates met informally to present and exchange views on the main negotiating groups' written contributions for draft conclusions and EGTT terms of reference. Many delegates focused on the issue of publicly-owned and public domain technologies. Co-Chairs William Kojó Agyemang-Bonsu (Ghana) and Holger Liptow (Germany) will prepare a compilation text and continue informal consultations.

##### **SAFEGUARDING THE OZONE LAYER AND**

**CLIMATE CHANGE – HFCS AND PFCS:** Chair Darren Goetze (Canada) invited comments on the joint report of the IPCC and Technology and Economic Assessment Panel (TEAP). AUSTRALIA, JAPAN and the US praised the report. The UK, for the EU, suggested a follow up process, including an expert meeting or workshop. The US and others rejected this proposal, arguing that the report provided a sound basis for countries to take action. The US also questioned proposals for a submissions process. Chair Goetze will prepare draft conclusions by late Saturday morning.

#### **IN THE CORRIDORS**

With so many issues being handled in various meetings on Friday, talk in the corridors ranged widely. Some delegates discussed financing issues, while others chatted about technology transfer or praised the upcoming IPCC Guidelines for national greenhouse gas inventories. Several commented that despite difficulties over SBI's agenda – which has still to be adopted – the general mood remained fairly positive.

One issue that seemed to capture delegates' attention was the Secretariat's proposed budget. An evening presentation filled the Haydn Room, with participants focusing on the implications of an option to fix the budget in Euros to address fluctuating exchange rates. It also emerged that a Secretariat decision to drop a contingency measure to cover conference services and to rely instead on the UN General Assembly for future funding could prove controversial.