

SB 24 & AWG HIGHLIGHTS:

THURSDAY, 18 MAY 2006

The 24th sessions of the UNFCCC Subsidiary Bodies (SB 24) started on Thursday morning. The Subsidiary Body for Scientific and Technological Advice (SBSTA) considered agenda items on the adaptation work programme, deforestation in developing countries, technology transfer, research and systematic observation, and a range of methodological issues. The Subsidiary Body for Implementation (SBI) took up issues such as capacity building, administrative and financial matters, amendment of the Kyoto Protocol with regards to the compliance mechanism, the international transaction log, privileges and immunities, and national communications. On Thursday evening, the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG) began informal consultations, and contact groups convened on deforestation and adaptation.

SUBSIDIARY BODY FOR IMPLEMENTATION

ORGANIZATIONAL MATTERS: Parties agreed to the agenda (FCCC/SBI/2006/1 and Corr.1) and organization of work after deleting an item on application of the COP-GEF Council memorandum of understanding, and agreeing that submissions on matters related to Protocol Article 3.14 (adverse effects) would be provided interessionally. József Feiler (Hungary) and Phetolo Phage David Lesolle (Botswana) were elected as Vice-Chair and Rapporteur, respectively.

South Africa, for the G-77/CHINA, emphasized the Special Climate Change Fund and Adaptation Fund. Bangladesh, for LDCs, urged implementation of national adaptation plans of action (NAPAs).

UNFCCC ARTICLE 4.8 AND 4.9: On adverse effects and the impact of response measures, the Secretariat reported on recent workshops on response measures, economic diversification and regional adaptation in Latin America. Parties also considered the work of the LDC expert group (FCCC/SBI/2006/9). Informal consultations will be held.

CAPACITY BUILDING: On capacity building under the UNFCCC (FCCC/2006/5, MISC.4, and MISC.4/Corr.1), JAPAN said the monitoring process should be streamlined. The US noted the need to avoid monitoring requirements that hinder implementation. The G-77/CHINA called for an expert workshop. The RUSSIAN FEDERATION, with BELARUS, stressed consideration of the experiences and needs of EITs.

On capacity building under the Protocol, parties considered relevant reports on this item (FCCC/SBI/2006/5 and FCCC/SBI/2006/MISC.4). A contact group on capacity building under both the Convention and the Protocol was formed, co-chaired by Crispin d'Auvergne (St. Lucia) and Anders Turesson (Sweden).

ADMINISTRATIVE, FINANCIAL AND

INSTITUTIONAL MATTERS: Budget performance for the biennium 2006-2007: The Secretariat introduced this item (FCCC/SBI/2006/INF.4). Chair Becker will consult informally and prepare draft conclusions.

Implementation of the Headquarters Agreement: Germany summarized progress on the new UN Bonn campus. Chair Becker will consult informally and prepare draft conclusions.

Privileges and immunities: The Secretariat introduced the issue of privileges and immunities for individuals serving on constituted bodies under the Kyoto Protocol (FCCC/SBI/2006/6 and FCCC/SBI/2006/MISC.6). A contact group chaired by Paul Watkinson (France) will prepare a draft COP/MOP decision.

OTHER MATTERS: Level of emissions for the base year of Croatia: The Secretariat introduced the position paper by Croatia (FCCC/SBI/2006/MISC.1). Jim Penman (UK) will conduct informal consultations on a draft COP decision.

AMENDMENT OF THE PROTOCOL IN RESPECT TO THE COMPLIANCE MECHANISM: Delegates considered this item in light of Decision 27/CMP.1, which agreed to begin consideration of the issue with a view to taking a decision at COP/MOP 3. Chair Becker will consult informally.

INTERNATIONAL TRANSACTION LOG: Parties discussed progress on the International Transaction Log (ITL) (FCCC/SBI/2006/INF.3). The RUSSIAN FEDERATION, ARGENTINA and the G-77/CHINA expressed concerns relating to timing and procedures for full ITL implementation. Japan said delays could produce market distortions. Chair Becker will prepare draft conclusions.

NON-ANNEX I COMMUNICATIONS: The Secretariat introduced a report on the activities of the non-Annex I national communications consultative expert group (CGE) (FCCC/SBI/2006/8). CGE rapporteur Lilian Portillo (Paraguay) outlined CGE's activities and a relevant report (FCCC/SBI/2006/4). Many parties stressed the importance of CGE's work. URUGUAY said CGE's work promotes South-South cooperation and INDONESIA suggested more expert workshops.

The Secretariat introduced sub-items on compilation and synthesis of initial national communications (FCCC/SBI/2006/MISC.2 and FCCC/SBI/2006/18/Add.1-6 & Add.3/Corr.1) and on provision of financial and technical advice (FCCC/SBI/2006/INF.1). The G-77/CHINA and AOSIS noted the importance of addressing financial, technical, and institutional constraints.

SWITZERLAND, with the EU, called for a "desk review" of non-Annex I communications and, supported by AOSIS, suggested grouping countries with common circumstances for such a review. The PHILIPPINES stressed the need for full-cost financial support. Henriëtte Bersee (Netherlands) and Emily Ojoo-Massawa (Kenya) will consult informally.

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

ORGANIZATIONAL MATTERS: SBSTA Chair Kishan Kumarsingh (Trinidad and Tobago) presented the provisional agenda (FCCC/SBSTA/2006/1 and Add.1). The US and AUSTRALIA, opposed by AOSIS, the EU and BELARUS, objected to including the Mauritius Strategy under the item on "cooperation with relevant international organizations." The agenda was adopted with this item held in abeyance, pending further consultations.

The G-77/CHINA looked forward to progress on adaptation implementation, positive incentives on reducing deforestation, adaptation research, and the Mauritius Strategy. The AFRICAN GROUP called for strengthening systematic observation and early warning systems in Africa and moving the Buenos Aires Plan on Adaptation to SBI for implementation.

ADAPTATION: The Secretariat reported on the five-year adaptation work programme (FCCC/SBSTA/2006/4 and FCCC/SBSTA/2006/INF.3). Many parties stressed the need for a prompt start. AOSIS, CHINA and others said the current work programme does not add to work already underway, and called for practical and substantial outputs. ARGENTINA and SUDAN suggested that an expert group on adaptation be considered. The US proposed stocktaking and interaction with sectoral experts and user groups. A contact group will be co-chaired by William Agyemang-Bonsu (Ghana) and Helen Plume (New Zealand).

DEFORESTATION: On reducing emissions from deforestation in developing countries (FCCC/SBSTA/2006/MISC.5), many non-Annex I parties emphasized the need for positive incentives. AOSIS and others stressed the complexity of the issue, and urged parties not to reopen previously agreed decisions. The REPUBLIC OF KOREA and NORWAY proposed addressing the issue in the UNFCCC Dialogue on long-term cooperative action. Chair Kumarsingh noted the need to decide the scope of the upcoming workshop, to be held at the end of August 2006 in Rome. Hernán Carlino (Argentina) and Audun Rosland (Norway) will co-chair a contact group.

TECHNOLOGY TRANSFER: Bernard Mazijn (Belgium), Chair of the Expert Group on Technology Transfer (EGTT), reported on EGTT's activities (FCCC/SBSTA/2006/INF.4). Many welcomed the five-theme structure of EGTT's work. The US, EU, and others stressed the private sector's role and CHINA underscored the public sector. AUSTRALIA, JAPAN and others highlighted the G8 and Asia-Pacific partnerships. The G-77/CHINA underscored adaptation technologies and South-South cooperation. Carlos Fuller (Belize) and Kunihiko Shimada (Japan) will co-chair a contact group.

RESEARCH AND SYSTEMATIC OBSERVATION: The RUSSIAN FEDERATION underscored observation and early warning systems. The US and CHINA highlighted scientific uncertainties and AOSIS suggested further research on the relationship between climate change and extreme weather events (FCCC/SBSTA/2006/INF.2, MISC.3 and Add.1). María Paz Cigarán (Peru) and Sergio Castellari (Italy) will co-chair a contact group.

METHODOLOGICAL ISSUES UNDER THE CONVENTION: IPCC 2006 Guidelines for national GHG inventories: Thelma Krug, IPCC, presented the IPCC 2006 Guidelines. ARGENTINA and others said more time was needed to reach conclusions, while the EU suggested elaborating a draft decision at this session. INTERNATIONAL HYDROPOWER ASSOCIATION urged careful consideration of the section on flooded lands.

Harvested wood products: The EU stressed that harvested wood products are not for consideration for the first commitment period and, with others, noted the complexity of the issue. Riitta Pipatti (Finland) will conduct informal consultations on this issue and the IPCC 2006 Guidelines.

Bunker fuels: On emissions from fuel used for international aviation and maritime transport, the International Maritime Organization reported on cooperation with the UNFCCC. The EU said a balanced compromise was within reach. José Romero (Switzerland) will conduct informal consultations.

Brazilian proposal: The EU, BRAZIL and AOSIS welcomed work by MATCH (Modeling and Assessment of Contributions to Climate Change) and, opposed by the US, supported further consideration by SBSTA 25 (FCCC/SBSTA/2006/MISC.8). Kaekyung Lim (Republic of Korea) and Jean-Paul Van Ypersele (Belgium) will co-chair a contact group.

Experience with reporting and review, and with training of experts: Parties considered a report on this item (FCCC/SBSTA/2006/2), with several noting the need to sustain expertise. Branca Bastos Americano (Brazil) will conduct consultations.

METHODOLOGICAL ISSUES UNDER THE PROTOCOL: HCFC-22 facilities: Parties considered "implications of the establishment of new HCFC-22 facilities seeking to obtain certified emission reductions for the destruction of HFC-23." The EU said CDM projects should not have significant negative implications for the UNFCCC or Montreal Protocol. CAN INTERNATIONAL urged that new HCFC-22 facilities not be included in the CDM. Georg Børsting (Norway) will chair a contact group.

NUMERICAL VALUE FOR FOREST MANAGEMENT UNDER PROTOCOL ARTICLE 3.4 FOR ITALY: Italy said this issue was a technical issue (FCCC/SBSTA/2006/MISC.1). Draft conclusions will be prepared.

AD HOC WORKING GROUP

The AWG convened informal consultations on Thursday evening. Chair Zammit Cutajar presented his initial views, noting that the AWG aims to amend Protocol Annex B. He proposed structuring discussions around three areas: evaluation; innovation (including questions on burden sharing, mechanisms, targets, a sectoral approach, technology transfer and bunker fuels); and ambition (including mitigation potential and contribution to the ultimate objective of the Convention).

The G-77/CHINA said there is no linkage to other discussions, the outcome should be substantially higher reduction targets, and the task should be completed by 2008. INDIA and CHINA stressed that the AWG simply needs to decide on new quantitative commitments and the length of the second commitment period.

JAPAN said the second commitment period should be based on a thorough scientific analysis and not a political exercise. He said the next commitment period should aim to achieve the ultimate objective of the Convention on its own. SWITZERLAND, NEW ZEALAND and others underscored linkages between Articles 3.9 and 9. The EU restated its target (15-50% by 2050). The G-77/CHINA and others asked about the origin of the EU's figures. Negotiations will continue bilaterally and possibly in an informal contact group on Monday.

CONTACT GROUPS

DEFORESTATION: Parties discussed the possible scope of the planned workshop, including issues relating to definitions, drivers of deforestation, methodological and scientific issues, and positive incentives. PAPUA NEW GUINEA and others emphasized incentives, while the EU and others stressed methodological issues. BRAZIL noted the need to distinguish between trading and non-trading approaches. Co-chairs Rosland and Carlino will present a proposal on Friday.

ADAPTATION: Co-Chair Plume proposed using the tables on initial activities listed in the report of the Vienna workshop (FCCC/SBSTA/2006/4) as a basis for discussions. The group will reconvene on Friday.

IN THE CORRIDORS

Discussions on future commitments under Kyoto Article 3.9 dominated chatter in the corridors on Thursday, as informal consultations under the AWG got underway. Before the evening session, several participants were cautious that a great deal of time would be spent on this issue over the coming days with relatively modest results. The chorus of those singing a similar tune was even larger by the time the session ended, as it became apparent that parties' positions were already quite rigid, and that finding common ground could be extremely difficult. In the words of one observer, it could require a "superhuman effort" from AWG Chair Zammit Cutajar.

Many were also focused on the possibility that the dark clouds gathering outside the conference center would soon become a feature inside, as the SBI turns its attention to the financial mechanism on Friday morning. Initial discussions in the session on non-Annex I communications concerning the GEF did little to dispel this feeling, and left several feeling uneasy about the impending discussion as they made their way to the EU reception on Thursday night.