

SB 24 HIGHLIGHTS: SATURDAY, 20 MAY 2006

Contact groups and informal consultations were held throughout Saturday on a wide range of issues, including adaptation, the Adaptation Fund, arrangements for intergovernmental meetings, deforestation, IPCC 2006 Guidelines and harvested wood products, privileges and immunities, research and systematic observation, and the Special Climate Change Fund (SCCF). In addition, bilateral and small group consultations continued under the AWG, and an in-session workshop was held on carbon capture and storage.

CONTACT GROUPS

ADAPTATION FUND: The Co-Chairs distributed a proposal based on the outcomes and submissions from the Adaptation Fund workshop held in June 2005, noting that the proposal is not a formal negotiation text. The G-77/CHINA observed that it had developed other criteria to add to those contained in the proposal, including “tailor made” operational policies for most vulnerable countries and the requirement that funding be used for concrete adaptation projects. Several other parties noted consistency between criteria proposed by the G-77/CHINA and their own submissions. The G-77/CHINA also referenced the need for further information from prospective institutions for managing the Fund, including whether the Fund would be managed separately and have autonomy from other funds. AOSIS noted the need to avoid another fund that is difficult to access. The EU, CANADA, SWITZERLAND and NORWAY preferred that the GEF be designated as the operating entity for the Fund. Parties will discuss their views on the elements of the proposal at the contact group meeting on Monday.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS: COP 12 and COP/MOP 2: Co-Chair Wörgetter drew attention to the recent *Earth Negotiations Bulletin's* “In The Corridors” section, which noted concerns about “meeting fatigue.” She observed that this was an issue for future meeting planning. Richard Kinley, UNFCCC Officer-in-Charge, briefed parties on planning for COP 12 and COP/MOP 2, observing that the complex agendas and proliferation of events meant constraints on the number of contact group meetings and the possibility that some work would not be completed.

Delegates considered a number of organizational options. Many favored clustering agenda items and prioritizing issues, while noting that the current agenda reflects a careful “balance” of issues proposed by parties. The G-77/CHINA, EU, and UMBRELLA GROUP opposed extending the meeting beyond two weeks, although the G-77/CHINA added that it might

consider a one-day extension. Parties also objected to evening sessions, citing concerns over fatigue. AUSTRALIA suggested shortening the lunchtime break. Participants also supported setting limits on speaking times in formal sessions. CHINA said the AWG should be prioritized. Responding to questions about financing, Kinley said extending the meeting dates or holding evenings sessions would have only a minor impact on the budget. Co-Chair de Wet suggested that parties should identify three or four priorities, and also three or four non-priorities that could be deferred to a subsequent meeting.

Future sessional periods: Parties agreed to a US proposal to move the dates for the second sessional period in 2011 to 28 November – 9 December.

Review of COP/MOP 1 and COP 11 arrangements: The US and AUSTRALIA noted new information on participation of observer states since the Secretariat’s paper (FCCC/SBI/2006/2) had been produced, and Chair de Wet said this would be taken into account. The EU restated its position that informal consultations should be closed to non-parties unless parties give their consent.

Organization of intergovernmental process: Parties suggested proposals to increase efficiency through innovations such as agenda “clustering” and multi-year work cycles (FCCC/SBI/2006/3 and MISC.8). The G-77/CHINA requested a more detailed discussion on clustering, and the EU said it could agree to several of the proposals. Informal consultations will take place on Monday afternoon.

DEFORESTATION: Co-Chairs Carlino and Rosland presented draft text on the scope of the upcoming workshop. BRAZIL said there should be no references to the Protocol or trading mechanisms. Opposed by TUVU and others, BRAZIL proposed removing language meant to replace references to leakage, permanence and baselines. With PAPUA NEW GUINEA, but opposed by the US, she suggested deleting reference to projected emissions. BRAZIL also proposed referring to “financial mechanisms” instead of “market mechanisms.” Noting the narrow definition of “financial mechanism” under the Convention, TUVU proposed referring to “fiscal mechanism.” JAPAN, supported by the EU, underscored drivers and socioeconomic aspects. The US expressed concern about the broad agenda and, supported by BRAZIL but opposed by TUVU, proposed a narrower agenda for the upcoming workshop and to address other issues in a second workshop before SBSTA 26. PAPUA NEW GUINEA, BOLIVIA and CHILE stressed the importance of giving equal attention to scientific and policy issues. Informal consultations continued into the evening.

PRIVILEGES AND IMMUNITIES: Delegates discussed options for protecting individuals serving on constituted bodies under the Protocol from legal actions, which include a COP/MOP decision granting them privileges and immunities, written confirmation from private entities to settle all disputes at the Secretariat's headquarters and *ad hoc* arrangements. Chair Watkinson explained that an amendment to the Protocol was not included in the options but should be borne in mind. ARGENTINA proposed changing CDM and JI rules to prevent private entities from bringing claims against officials serving under the Kyoto Protocol. CANADA, supported by the EU, proposed that the COP/MOP request a UN General Assembly resolution on the 1946 UN Convention. The contact group will reconvene on Tuesday morning to consider revised text.

RESEARCH AND SYSTEMATIC OBSERVATION: Delegates met informally on Saturday morning and in a contact group that afternoon, when they considered draft conclusions paragraph-by-paragraph. Participants agreed on paragraphs relating to: research needs and priorities; regional and international research programmes; regional networks; dialogue and communication; importance of scientific research; and the importance of data and systematic observation for research. While a paragraph on next steps remains bracketed, discussions are expected to conclude on Monday.

SPECIAL CLIMATE CHANGE FUND: Delegates began discussions on the draft decision forwarded from SBI 22 (FCCC/SBI/2005/10), focusing on two proposals for using the SCCF to finance activities set out in Decision 7/CP.7, paragraph 2 (d) (funding under the Convention). The EU supported language citing technical assistance, while the G-77/CHINA preferred broader language, noting that technical assistance is limited and open to interpretation. Informal consultations on merging these two proposals will be held prior to the contact group meeting on Monday. At the contact group meeting on Monday, delegates will also focus on other sections of bracketed text, most notably a list on specific areas to be funded.

INFORMAL CONSULTATIONS

ADAPTATION: During informal consultations, delegates continued to work through the initial list of activities identified at the Vienna workshop with a view to simplifying the list. They addressed: methods and tools; data and observation; climate modeling; climate related risks and extreme events; socioeconomic information, adaptation planning and practices; research; technologies for adaptation; and economic diversification. The G-77/CHINA made several proposals to add some recommendations to the list of deliverables on how to address the issues and on practical implementation. The Co-Chairs will prepare new text incorporating the various comments in time for a contact group meeting on Monday morning.

IPCC 2006 GUIDELINES ON INVENTORIES AND HARVESTED WOOD PRODUCTS: In informal consultations conducted by Riitta Pipatti (Finland), parties exchanged views on the process for considering the Guidelines, and on issues forwarded from the previous SBSTA, including biomass burning, methane emissions, and harvested wood products.

AD HOC WORKING GROUP

Informal bilateral and small group consultations continued on Saturday, with discussions focusing on general issues of process and objectives. Only limited progress was reported and consultations will continue.

WORKSHOP ON CARBON CAPTURE AND STORAGE

An in-session workshop on carbon dioxide capture and storage (CCS) convened on Saturday. SBSTA Chair Kishan Kumarsingh explained that the workshop's objective was to improve understanding of CCS through an overview of the IPCC Special Report on CCS, noting that it underscores CCS's potential and discusses financial, social, environmental, legal, public perception and safety issues. He also indicated that the workshop would highlight experiences and lessons learned and said he would prepare a report for consideration at SBSTA 25.

Twenty panelists examined various aspects of CCS, including: technology options (primarily concerning geologic storage); pilot projects in Canada, Algeria, and the Netherlands; financial and monitoring challenges; nascent ocean storage technology; the Carbon Sequestration Leadership Forum; policy and legal issues; applying CCS emission estimation methodologies in national greenhouse gas inventories; training courses to build awareness and capacity; an EU policy framework for CCS; and risk assessment.

Many participants agreed that CCS could address a large amount of carbon dioxide emissions, notably from power production stationary sources, while noting that it increases energy use by approximately 30-40% and is not yet financially or technologically viable on a large scale. Some delegates also observed that while CCS is not a "silver bullet solution," it could be part of a portfolio of energy options. There were also comments that: public acceptance is needed for CCS to achieve wide implementation; good site selection, monitoring and remediation methods are critical for safety and limiting the chance of leakage; and regulatory incentives are needed if CCS is to move beyond enhanced oil recovery.

Other participants expressed concerns about possible leakage and ocean storage, about the high costs associated with capture, and whether incentives for developing renewable energy will be hampered by CCS. Additional concerns related to the 5-10 year window still required for research and development before wide-scale adoption of CCS, and the need for a favorable business climate and policy mechanisms. Participants also pointed out that the scale of the CCS infrastructure required raises questions about the role of public and private sector involvement. Finally, participants also discussed CCS in the context of the CDM.

Chair Kumarsingh closed the session by highlighting key issues raised during the workshop, stating that while on-the-ground CCS experience exists, there is not yet much experience in developing countries. He noted that a related workshop is taking place on Monday, 22 May, on CCS as a CDM project activity (for more official information on both workshops, visit: <http://unfccc.int/meetings/sb24/in-session/items/3623.php>).

IN THE CORRIDORS

While climate aficionados not attending SB 24 may have been fretting about the latest media flurry over Canadian politics and the Kyoto Protocol, the focus among delegates in Bonn was firmly on the many specific and sometimes technical issues being taken up in contact groups and informal consultations. On the SBI side, Saturday ended on a somewhat sour note, with several participants departing from the evening sessions on the Special Climate Change Fund and the Adaptation Fund grumbling about polarized positions and lack of willingness to compromise. Concerns about agenda overload at COP 12 and COP/MOP 2 were also on many people's lips, with some delegates expressing concerns over a possible "competition" to ensure that their specific priorities ended up at the top of the list.