

## COP 13 AND COP/MOP 3 HIGHLIGHTS: TUESDAY, 4 DECEMBER 2007

The SBI and SBSTA convened in plenary sessions throughout the day. SBSTA took up agenda items on reducing emissions from deforestation in developing countries, the Nairobi work programme, research and systematic observation, the IPCC's Fourth Assessment Report (AR4), and methodological issues. SBI considered organizational matters, education, training and public awareness, administrative, financial and institutional matters, national communications, Convention Article 4.8 and 4.9 (adverse effects), capacity building, the Adaptation Fund, and technology transfer.

### SBI

**ORGANIZATIONAL MATTERS:** Chair Asadi reported on informal discussions regarding a COP decision taken the previous day to refer an agenda item on technology transfer to the SBI, noting that he did not have clear instructions on how the item was to be considered by the SBI. Discussions revolved around procedure and whether to include the matter as a separate SBI agenda item. The UMBRELLA GROUP, opposed by the G-77/CHINA and SAUDI ARABIA, proposed informal consultations.

After lengthy discussions, Chair Asadi read the transcript of the previous day's COP discussions confirming the COP's decision. The Secretariat's legal adviser clarified that technology transfer should be a separate agenda item under the SBI. The SBI then adopted its agenda (FCCC/SBI/2007/16), including the item on technology transfer.

### EDUCATION, TRAINING AND PUBLIC AWARENESS:

On Convention Article 6, the Secretariat introduced relevant documents (FCCC/SBI/2007/17, 22 and 26), and UNEP outlined its activities. The EU, the GAMBIA, JAPAN, IRAN, SENEGAL, KENYA and others stressed the need for a follow-up to the New Delhi work programme. Marie Jaudet (France) and Qingchen Chao (China) will chair a contact group.

### ADMINISTRATIVE, FINANCIAL AND

**INSTITUTIONAL MATTERS:** The Secretariat reported on the budget performance for the biennium 2006-2007 (FCCC/SBI/2007/19 & INF.11), noting that most contributions had been received, but that only US\$900,000 of the required \$2.5m for the International Transaction Log (ITL) fund had been received. On income and expenditure, the Secretariat noted the impact of the decline in value of the US dollar. Chair Asadi will prepare draft conclusions on this sub-item and also on the Secretariat's functions and operations.

On privileges and immunities, the Secretariat introduced documents (FCCC/KP/CMP/2007/2 & FCCC/TP/2007/2) on actions taken by the Executive Secretary to minimize the risks of disputes, complaints and claims against individuals serving on constituted bodies. Paul Watkinson (France) will hold consultations.

**ANNEX I COMMUNICATIONS:** The Secretariat introduced a note on compilation and synthesis of fourth national communications (FCCC/SBI/2007/INF.6 & Add.1-2). A contact group, co-chaired by Sushma Gera (Canada) and Hongwei Yang (China), was established.

SBI took note of a report on national inventory data from Annex I parties in 1990-2005 (FCCC/SBI/2007/30) and a status report on the review of fourth national communications (FCCC/SBI/2007/INF.8).

**FINANCIAL MECHANISM:** The Secretariat presented a report (FCCC/SBI/2007/21) on the fourth review of the financial mechanism, prepared with the GEF. The G-77/CHINA underlined the importance of financing given the prospect of enhanced implementation of the Convention. The US supported enhancing financing tools and recalled that the private sector would provide the bulk of immediate investments. JAPAN commended GEF's co-financing role and the EU welcomed GEF reforms.

GEF CEO Monique Barbut introduced a report (FCCC/CP/2007/3) focusing on a five-point reform and sustainability plan, initiated in response to calls from the COP. She noted that the GEF had become the largest funder of adaptation. The G-77/CHINA welcomed the reforms and highlighted a communication gap between the GEF and parties. NIUE called for better engagement with SIDS. Tina Guthrie (Canada) and Bubu Pateh Jallow (Gambia) will convene a contact group.

**NON-ANNEX I COMMUNICATIONS:** Delegates were briefed by the Secretariat and the Consultative Group of Experts (FCCC/SBI/2007/10/Add.1, FCCC/SBI/2007/20, 27 and 28, FCCC/SBI/2007/MISC.7 & Add.1). Nigeria, for the AFRICAN GROUP, stressed the need for financing. The US pledged US\$100,000 and supported enhancing non-Annex I reporting. Brazil, for the G-77/CHINA, stressed that non-Annex I reporting obligations are different from those for Annex I, while SWITZERLAND advocated convergence.

On financial and technical support, the Secretariat introduced documents (FCCC/SBI/2007/INF.9 and FCCC/SBI/2007/MISC.13 & Add.1) and the GEF outlined its activities, including expedited financing. The G-77/CHINA opposed applying the GEF's Resource Allocation Framework to national communications. A contact group, co-chaired by Kristin Tilley (Australia) and Arthur Rolle (Bahamas), was established.

**CONVENTION ARTICLE 4.8 AND 4.9 (ADVERSE EFFECTS): Progress on implementation of decision 1/CP.10 (Buenos Aires Programme of Work on Adaptation and Response Measures):** A contact group was established, co-chaired by James Shevlin (Australia) and Philip Gwage (Uganda).

**LDCs:** The Secretariat introduced documents (FCCC/SBI/2007/31-32) and delegates heard statements from the LDC Expert Group and FAO. Many speakers supported extending the Group's mandate, and a contact group was established, co-chaired by Michelle Campbell (Canada) and Amjad Abdulla (Maldives).

**CAPACITY BUILDING UNDER THE CONVENTION:**

On capacity building for developing countries (FCCC/SBI/2007/25 and MISC.8), CHINA criticized the focus on routine monitoring. AOSIS underlined capacity for monitoring and evaluation. PAKISTAN called for investment in education and science and technology. Helmut Hojesky (Austria) and Crispin d'Auvergne (St.Lucia) will convene a contact group.

On capacity building for economies in transition (FCCC/SBI/2007/18 and MISC.9), the EU acknowledged challenges for EITs as they prepare for the first commitment period. Vlad Trusca (Romania) and Helmut Hojesky (Austria) will convene informal consultations.

**ADAPTATION FUND:** Introducing the item, the Secretariat referred to the negotiating text annexed to the SBI 26 report (FCCC/SBI/2007/15). Co-Chair Jukka Uosukainen (Finland) reported on "very productive" pre-session consultations.

Several delegates stressed the need to operationalize the Fund and solve the institutional issues. They also expressed views on representation in the governing body and access to funding, with some delegates emphasizing the need for a special focus on LDCs and SIDS. A contact group will be co-chaired by Uosukainen and Osita Aneadu (Nigeria).

**TECHNOLOGY TRANSFER:** Ghana, for the G-77/CHINA, called for the establishment of a contact group. Noting ongoing discussions under SBSTA, CANADA, JAPAN and the US proposed holding an informal dialogue and establishing a contact group at SBI 28. INDIA called for a review of technology transfer under the Convention, and initiating a global dialogue. A contact group will be co-chaired by Jukka Uosukainen (Finland) and Philip Gwage (Uganda).

**SBSTA**

**REDUCING EMISSIONS FROM DEFORESTATION IN DEVELOPING COUNTRIES:** The Secretariat reported on submissions received (FCCC/SBSTA/2007/MISC.14 and Adds.1-3). Many countries stressed early action, capacity building, national circumstances, and adequate resources. Several also supported pilot projects.

TANZANIA, LIBERIA, CLIMATE ACTION NETWORK (CAN) and others underscored rural livelihoods and local communities. COLOMBIA supported sub-national approaches. INDIA, INDONESIA, COSTA RICA and others suggested including conservation, while Gabon, for the CONGO BASIN COUNTRIES, proposed a stabilization fund to sustain current efforts. The US supported engagement of international organizations and countries involved in technical capacity building and pilot activities to inform SBSTA.

The EU, CANADA and others said deforestation should be part of the framework addressing climate change post-2012. BRAZIL opposed discussing deforestation in a post-2012 regime in isolation from other climate change drivers and mitigation actions and cautioned against links to market mechanisms. IUCN called for an ecosystem approach. A contact group will be co-chaired by Hernán Carlino (Argentina) and Audun Rosland (Norway).

**NAIROBI WORK PROGRAMME (NWP):** Chair Kumarsingh briefed delegates on activities under the NWP to catalyze further action on adaptation (FCCC/SBSTA/2007/6-15, FCCC/SBSTA/2007/MISCs.10-16 and 21-25).

JAMAICA, CHINA, TUVALU and others supported establishing an expert group. However, the EU and US questioned the added value of such a group, and the EU suggested further consideration at SBSTA 28. JAPAN proposed reconsidering the idea at COP 16.

Parties were briefed on the work of the Expert Group on Technology Transfer, LDC Expert Group, and Consultative Group of Experts on non-Annex I communications. Delegates were also briefed on relevant activities by the IPCC, FAO, WMO, MUNICH CLIMATE INSURANCE INITIATIVE, INDIGENOUS PEOPLES, and PIACC (Ibero-American Programme for Evaluating Climate Change Impacts, Vulnerability and Adaptation). A contact group will be co-chaired by Clifford Mahlung (Jamaica) and Helen Plume (New Zealand).

**RESEARCH AND SYSTEMATIC OBSERVATION:** The Secretariat introduced documents (FCCC/SBSTA/2007/MISCs.6, 26 & 27), followed by presentations from the Global Climate Observing System and Global Terrestrial Observing System. Stefan Rösner (Germany) and David Lesolle (Botswana) will consult informally.

**IPCC FOURTH ASSESSMENT REPORT (AR4):** Renate Christ, IPCC Secretary, presented the main findings of the AR4. INDONESIA, MALAYSIA and others highlighted the need for regional and local modeling. The EU, supported by NORWAY and COLOMBIA, proposed requesting IPCC to prepare an updated report by mid-2009 with a view to informing COP 15. JAMAICA called for more research on lower stabilization scenarios. Ismail Elgizouli (Sudan) and Jean-Pascal van Ypersele (Belgium) will hold informal consultations.

**METHODOLOGICAL ISSUES UNDER THE PROTOCOL: HFCs:** The Secretariat noted submissions (FCCC/SBSTA/2007/MISC.17) and CHINA announced its early phase-out of HFC-23. SENEGAL, ARGENTINA and others opposed crediting the destruction of HFC-23 in new facilities under the CDM. The EU proposed alternative sources of financing to address emissions at new plants. Marcela Main (Chile) and Klaus Radunsky (Austria) will facilitate consultations.

**Small-scale CDM sink projects:** BOLIVIA, PAKISTAN, PARAGUAY, SENEGAL and others, opposed by INDIA, BRAZIL and TUVALU, supported increasing the limit for small-scale afforestation and reforestation projects. Marcela Main (Chile) and Klaus Radunsky (Austria) will hold informal consultations.

**Carbon capture and storage under the CDM:** The Secretariat reported on the issue (FCCC/SBSTA/2007/MISC.18 and Adds.1-2). PAKISTAN, KUWAIT, NORWAY, JAPAN and others, opposed by MICRONESIA, TUVALU, JAMAICA, INDIA, BRAZIL, SENEGAL and others, supported inclusion of CCS under the CDM. A contact group, co-chaired by Marcela Main (Chile) and Klaus Radunsky (Austria), will convene.

**Good practice guidance for land use, land-use change and forestry:** The Secretariat introduced the issue (FCCC/SBSTA/2007/INF.2, FCCC/SBSTA/2007/MISC.28). Informal consultations will be convened.

**MITIGATION:** The Secretariat introduced relevant documents (FCCC/SBSTA/2007/INF.3 and MISC.20). CHINA, SAUDI ARABIA and the US noted possible overlap with other agenda items. Greg Picker (Australia) will conduct informal consultations.

**METHODOLOGICAL ISSUES UNDER THE CONVENTION: Greenhouse gas inventories and data interface:** The Secretariat introduced these issues (FCCC/SBSTA/2007/INF.4 and MISC.9 and Add.1), which will be taken up in informal consultations.

**Emissions from fuel used for international aviation and maritime transport:** Delegates were briefed by the International Civil Aviation Organization (FCCC/SBSTA/2007/MISC.29). SAUDI ARABIA suggested deleting this agenda item, while TUVALU and the EU urged its careful consideration, and NORWAY briefed delegates on a recent technical workshop in Oslo. Chair Kumarsingh will consult with parties.

**PROTOCOL ARTICLE 2.3 (ADVERSE EFFECTS):** Delegates were unable to agree on this agenda item, with SAUDI ARABIA and KUWAIT urging a contact group discussion, opposed by the EU and JAPAN. Chair Kumarsingh said he would hold informal consultations.

**IN THE CORRIDORS**

Developing country delegates left the SBI plenary with a mix of jubilation and exhaustion after an unscheduled late night session on Tuesday. Their delight followed success in "finally" providing an SBI platform for the implementation issues around technology transfer. A procedural dispute over SBI's approach to a COP decision to refer the issue to both the SBSTA and SBI took all Tuesday morning to resolve. After a year of informal debate within the G-77/China on how to achieve a breakthrough on technology transfer, some G-77 negotiators commented that one more morning was deemed to be well worth the effort to get a result. Others, however, questioned whether the new item might have negative impacts on expected progress on the issue under the SBSTA.

Meanwhile, some participants were also talking about the fact that the SBI had yet to complete the initial consideration of all its agenda items, a delay which would likely impact the schedule for other groups supposed to meet on Wednesday. "There's not a lot of room to maneuver if things fall too far behind," warned one delegate.