

SB 28 AND AWG HIGHLIGHTS: SATURDAY, 7 JUNE 2008

On Saturday, the AWG-KP convened a workshop on methodological issues. Delegates also met for an in-session workshop on modelling, scenarios and downscaling under the Nairobi Work Programme (NWP). Contact groups and informal consultations were held on a range of issues, including finance and technology transfer under the AWG-LCA, arrangements for intergovernmental meetings, capacity building, decision 1/CP.10 (Buenos Aires programme of work), review of the financial mechanism, non-Annex I communications, and reducing emissions from deforestation in developing countries.

AWG-KP

WORKSHOP ON METHODOLOGICAL ISSUES:

The Secretariat introduced relevant methodologies under the Convention and Protocol, and provided background information on global warming potentials (GWPs).

Simon Eggleston, IPCC, presented on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, detailing changes compared with the previous guidelines.

Venkatachalam Ramaswamy, IPCC, described complexities of GWP estimates and outlined potential alternative metrics. Responding to concerns raised on the managed land proxy to account for anthropogenic changes in carbon stocks, Eggleston reported that the task force on inventories is proposing considering new scientific input on this at the next IPCC plenary.

On reporting experiences, NEW ZEALAND, the EU, NORWAY, CANADA and SWITZERLAND supported using the 2006 IPCC Guidelines during the second commitment period, but said further methodological work may be necessary. CHINA underscored potential problems resulting from a change in reporting methodologies.

BRAZIL highlighted shortcomings of GWPs, stating that they overestimate the impact of methane. The EU and NORWAY supported the use of GWPs, with the EU highlighting the GWP approach as the most suitable for converting emissions to a common equivalent unit. NEW ZEALAND underscored the impact of GWPs on mitigation potential. He called for consistent treatment of GWPs, stressing that they are also relevant for the AWG-LCA's work on MRV and mitigation potential. AWG Vice-Chair Konate said his summary of the discussions will be available Monday.

SBSTA

WORKSHOP ON MODELLING, SCENARIOS AND DOWNSCALING UNDER THE NAIROBI WORK

PROGRAMME: Outlining the activities conducted under the NWP, SBSTA Chair Plume encouraged parties and other

stakeholders to share their experiences and needs. Presenters from the IPCC and World Climate Research Programme considered advances in regional climate models, downscaling techniques for developing regional or subregional climate scenarios, and capacity building. The workshop also included a presentation from UNDP on practical steps to make climate model outputs and downscaled data more relevant to policy makers.

In the subsequent discussion, participants stressed, *inter alia*: dialogue between users and developers; the importance of addressing decision makers' needs; a risk management approach; the use of the full range of scenarios; different temporal scales; and the utility of regional centers. For more information, visit: <http://unfccc.int/4377.php>

CONTACT GROUPS AND INFORMAL CONSULTATIONS ARRANGEMENTS FOR INTERGOVERNMENTAL

MEETINGS (SBI): In this contact group, many delegates raised concerns about the heavy workload under multiple bodies at COP 14 and COP/MOP 4, with some suggesting deferring items that are not critical to finalizing a post-2012 framework. AUSTRALIA and others expressed concerns about adding pre-conference events that would result in three weeks of meetings, and about the workload implications of parallel ministerial meetings. Delegates also raised concerns about accommodation in Poznan, with INDIA noting "astronomical" prices. POLAND said accommodation was available and a logistics team had been established to assist.

ARTICLE 9 REVIEW (SBI): During informal consultations, parties considered dividing relevant topics into near-term and long-term issues. They also addressed a proposal from Tuvalu to negotiate a stand-alone instrument on privileges and immunities, and discussed procedural questions. The Co-Chairs will prepare draft text for Monday.

AWG-LCA (TECHNOLOGY): In the contact group, NEW ZEALAND underscored mitigation technologies for agriculture. The G-77/CHINA highlighted equal treatment for mitigation and adaptation technologies and emphasized the need to establish a technology transfer mechanism under the Convention. The EU supported institutional arrangements under the Convention and suggested a new coordinating body. JAPAN said technology must be the core element of a future agreement and highlighted a sectoral approach. GHANA stressed MRV on technology transfer, suggesting reporting guidelines, annual communications by Annex I parties, and linkages to the Convention review mechanism. The AFRICAN GROUP identified intellectual property rights as a major barrier and said adaptation does not attract private sector investment. The US said much has changed since the Convention was agreed, and CHINA said lack of implementation by Annex I parties has not changed. The EU

highlighted the connection between carbon price and technology transfer. AOSIS underscored early warning technologies. PAKISTAN stressed compulsory licensing.

AWG-LCA (FINANCE): In the contact group, Chair Machado introduced the summary of the workshop on financing and investment (FCCC/AWG/LCA/2008/CRP.3). He suggested focusing on five areas: the need for predictable and sustainable financial resources; the scale of funds required; the scope of funds available through the Convention and market mechanisms, and role of enabling policies to influence private sector investments; additional information on proposals from parties on a new financial framework; and new and additional resources under the Convention now, up to and beyond 2012.

The G-77/CHINA said funding should come from implementation of Annex I countries' commitments. The US said the private sector should become the main source of funding. INDIA, the AFRICAN GROUP, CHINA and AOSIS stated that the private sector can play only a limited role. The AFRICAN GROUP called for balanced consideration of financing for mitigation and adaptation. BANGLADESH called for financing for risk reduction. The EU underlined the role of the carbon market, innovative financing and leveraging private investments, and suggested examining proposals before the Ghana meeting. The group will continue discussions on Monday focusing on a shared vision and mitigation.

CAPACITY BUILDING UNDER THE CONVENTION (SBI): This group met informally and considered the Co-Chairs' draft text. Agreement was reached on the terms of reference for the second comprehensive review of the capacity building framework, and on most of the SBI draft conclusions. Informal consultations will continue on Tuesday afternoon, focusing mainly on a draft COP decision.

DECISION 1/CP.10: Informal consultations continued on this issue, with little progress reported. Consultations will continue on Monday afternoon.

FINANCIAL MECHANISM (SBI): Developing countries introduced a draft proposal on this subject. On input to the GEF on its fifth replenishment, they said the final text should reflect developing countries' concerns on RAF allocation and access to funding and financing for non-Annex I communications. They also proposed requesting additional information from the GEF, such as on the nature and objectives of co-financing. On the fourth review, developing countries said it should be comprehensive and oriented towards non-Annex I parties' needs. They proposed that the Secretariat prepare a paper on how initiatives of multilateral financial institutions conform to the Convention's principle of unconditional funding and assist countries in assessing their financial needs to implement mitigation and adaptation measures. Discussions will continue on Monday morning.

LULUCF (AWG-KP): Informal consultations continued on a draft text that lists options and issues for consideration. Some parties raised concerns about inclusion of the LULUCF principles in decision 16/CMP.1. Another party suggested adding text on agreement on definitions and guidelines. A new document will be available Monday morning prior to informal consultations and a contact group.

MECHANISMS (AWG-KP): Following consultations on Friday, a draft text on possible improvements to the flexible mechanisms was made available Saturday morning. The document lists possible improvements to the scope, effectiveness and efficiency, accessibility, contribution to sustainable development, capacity to generate co-benefits, and transfer of technology under each of the three mechanisms. A contact group is convening Monday morning.

NON-ANNEX I COMMUNICATIONS (SBI): In informal consultations, parties agreed to base discussions on the Co-Chairs' draft text on the CGE and on the provision of financial and technical support, with several parties making preliminary comments. Consultations will continue on Monday.

OTHER ISSUES (AWG-KP): In the contact group, SAUDI ARABIA and KUWAIT opposed discussing international aviation and maritime emissions, stressing IMO and ICAO as the right fora. Stressing the principle of common but differentiated responsibilities, INDIA supported discussing this issue under the UNFCCC. With BRAZIL, he expressed concerns over the issue becoming a sectoral approach. The EU, CANADA, NORWAY and NEW ZEALAND called for a comprehensive global approach to these emissions.

CANADA expressed a preference for discussing the issue under the AWG-LCA, and AUSTRALIA emphasized that the focus in the AWG-KP must be on Annex I domestic emissions. BRAZIL, CHINA and SOUTH AFRICA stressed that there are no links between AWG-KP and AWG-LCA.

JAPAN said the issue was complex and the expertise of IMO and ICAO was needed. The EU recognized IMO's and ICAO's technical competence but said the UNFCCC should show leadership. MICRONESIA and TUVALU stressed the aviation and maritime sectors' potential for generating revenue for adaptation. AWG Chair Dovland noted lack of consensus and said he would consider how to proceed.

AWG Chair Dovland said the message from the methodological workshop was to continue using GWPs and the basket of gases. BRAZIL highlighted problems with GWPs, and NEW ZEALAND said they would be open to considering other methods. Dovland said the GWP issue would be reconsidered in Ghana. Informal consultations will continue on Monday evening.

REDUCING EMISSIONS FROM DEFORESTATION (SBSTA): In informal consultations, delegates discussed Co-Chairs' draft conclusions, focusing on the main elements of outstanding methodological issues. Many parties stressed the need for less prescriptive text, with others expressing concern that including specific options at this stage would prejudice outcomes. A number of parties urged consideration of all forest-related activities in a post-2012 regime. One stressed the importance of defining degradation. Other issues raised included conservation, national versus sub-national approaches, and third party verification. Parties were invited to submit text to the chairs by Monday morning prior to consultations Monday afternoon.

RESEARCH AND SYSTEMATIC OBSERVATION (SBSTA): During informal consultations, delegates discussed Co-Chairs' draft conclusions, finalizing four of the six paragraphs, including text requesting a list of relevant research organizations from the Secretariat. A revised text will be available from Monday morning.

IN THE CORRIDORS

The mood of delegates ranged from relaxed to disgruntled on Saturday, largely depending on which meeting or group they attended. While there were smiles on the faces of those in discussions on capacity building or on research and systematic observation, for instance, those working on adaptation and the financial mechanism seemed less satisfied.

Some delegates were talking about "mandate issues" – in particular, what track or body was the most appropriate for certain topics relevant to the post-2012 negotiations. Several noted different views on where to have discussions on international aviation and maritime emissions. A few experienced negotiators were noting some changes in attitude on this issue, not only in terms of where it should be discussed under the UNFCCC process, but also in terms of the competence of the UNFCCC vis-à-vis external bodies.

Many seemed excited at the prospect of some time off, with no formal negotiations booked between Saturday evening and Monday morning. "First, I'll go to the NGO party, then on Sunday I'll relax and watch one of the Euro 2008 games," said a smiling delegate, referring to Europe's biggest football (soccer) tournament, which started this weekend.