

COP 14 HIGHLIGHTS:

TUESDAY, 2 DECEMBER 2008

On Tuesday, the SBI and SBSTA resumed and concluded initial consideration of their respective agendas. In the afternoon, the AWG-LCA convened a workshop on a shared vision for long-term cooperative action.

SBSTA 29

TECHNOLOGY TRANSFER: JAPAN and CANADA noted linkages between AWG-LCA and SBI discussions on technology transfer. CHINA proposed a separate subsidiary body for technology transfer, and a new multilateral fund. A joint SBSTA/SBI contact group will be co-chaired by Carlos Fuller (Belize) and Holger Liptow (Germany).

REDD: Chair Plume introduced the issue (FCCC/SBSTA/2008/11). SWITZERLAND, the EU and AUSTRALIA said a sufficient methodological basis now exists for REDD activities, and the EU and PAPUA NEW GUINEA supported a COP decision on methodological issues in Poznań. TUVVALU said further methodological work is needed on degradation and demand-side measures.

Many parties called for inclusion of countries with different rates of deforestation. PAPUA NEW GUINEA suggested that the Secretariat explore funding options for different national circumstances. A contact group was established, co-chaired by Lilian Portillo (Paraguay) and Audun Rosland (Norway).

RESEARCH AND SYSTEMATIC OBSERVATION:

Parties were briefed by representatives of the Global Terrestrial Observing System, Committee on Earth Observation Satellites, and Global Climate Observing System (FCCC/SBSTA/2008/MISCs.11-12). Delegates agreed to Chair Plume's proposal to defer further discussion and prepare brief draft conclusions.

METHODOLOGICAL ISSUES (CONVENTION):

Technical review of Annex I inventories: On this issue (FCCC/SBSTA/2008/INF.4), delegates agreed to hold informal consultations facilitated by Dominique Blain (Canada).

Greenhouse gas data interface: Consideration of this item was deferred to SBSTA 30.

Emissions from international aviation and maritime transport:

The International Civil Aviation Organization and International Maritime Organization briefed delegates. Chair Plume will prepare conclusions and said the item would be taken up in more detail at SBSTA 32.

METHODOLOGICAL ISSUES (PROTOCOL):

HCFC-22: Jeffery Spooner (Jamaica) will conduct informal consultations.

Carbon capture and storage: On this item (FCCC/SBSTA/2008/INFs.1 and 3 and MISC.10), SAUDI ARABIA, NORWAY, the EU, JAPAN and others supported including CCS under the CDM. JAMAICA, VENEZUELA and

MICRONESIA noted that although CCS has potential, it has not been fully tested or proven. BRAZIL said CCS is incompatible with the CDM. A contact group will be co-chaired by Gertraud Wollansky (Austria) and Mohammad Reazuddin (Bangladesh).

IPCC Fourth Assessment Report: On this item (FCCC/SBSTA/2008/8), Chair Plume will prepare draft conclusions.

PROTOCOL ARTICLE 2.3 (ADVERSE EFFECTS): A joint SBI/SBSTA contact group on Protocol Article 2.3 and Article 3.14 will be chaired by Kamel Djemouai (Algeria) and Kristin Tilley (Australia).

OTHER MATTERS: Activities Implemented Jointly:

Chair Plume will prepare draft conclusions and a decision text.

Ozone depleting substances: The EU, opposed by CHINA, said SBSTA conclusions should include a reference to substitutes for ozone depleting substances, as contained in the report of the 20th Meeting of the Parties to the Montreal Protocol. Chair Plume will hold informal consultations.

Proposed new agenda item: Brazil, for the G-77/CHINA, proposed including implications of using various metrics to calculate carbon dioxide equivalents on the SBSTA 30 agenda. NEW ZEALAND supported this, while the US opposed it. Chair Plume will consult informally.

SBI 29

FINANCIAL MECHANISM: This agenda item covers the fourth review of the financial mechanism, report of the GEF to the COP and guidance to the GEF, and the LDC Fund (FCCC/CP/2008/2 and FCCC/SBI/2008/MISC.8).

The EU reaffirmed the GEF's role as the UNFCCC's financial mechanism. The Philippines, for the G-77/CHINA, said the GEF is not the financial mechanism but its operating entity. The AFRICAN GROUP said the selection of the GEF's chairpersons and CEOs should reflect its global character. A contact group on the fourth review, and the GEF report and guidance to the GEF will be co-chaired by Deborah Fulton (Australia) and Surya Sethi (India). A contact group on the LDC Fund will be co-chaired by Margaret Sangarwe (Zimbabwe) and Michelle Campbell (Canada).

NON-ANNEX I COMMUNICATIONS: The Secretariat introduced documents on the work of the CGE and on financial and technical support (FCCC/SBI/2007/10/Add.1, FCCC/SBI/2007/MISC.7, Add.1-2, FCCC/CP/2008/2, and FCCC/SBI/2008/INF.10). Emily Ojoo-Massawa (Kenya) and Ricardo Moita (Portugal) will co-chair a contact group.

IMPLEMENTATION OF CONVENTION ARTICLE 4.8 AND 4.9: Progress on the implementation of decision 1/CP.10: A contact group will be chaired by Leon Charles (Grenada).

Matters relating to LDCs: The LDC Expert Group (LEG) reported on its work (FCCC/SBI/2008/14). BANGLADESH suggested a mechanism to expedite prompt funding for implementing NAPAs. Informal consultations will be conducted by Margaret Sangarwe (Zimbabwe).

TECHNOLOGY TRANSFER: The Secretariat introduced the item (FCCC/SBI/2008/16-17 and INFs.5-8). Delegates established a SBSTA/SBI contact group co-chaired by Holger Liptow (Germany) and Carlos Fuller (Belize), and an SBI contact group co-chaired by Philip Gwage (Uganda) and Jukka Uoasukainen (Finland).

CAPACITY BUILDING (CONVENTION): The Secretariat introduced documents (FCCC/SBI/2008/11, 15, MISCs.5-6, FCCC/CP/2008/2 and FCCC/TP/2008/5). Tanzania, for the G-77/CHINA, called for development of performance indicators for monitoring and evaluating capacity building. PAPUA NEW GUINEA proposed establishing a CGE on monitoring activities to provide capacity building support to countries, especially on REDD issues. Crispin d'Auvergne (Saint Lucia) and Helmut Hojesky (Austria) will hold informal consultations.

CAPACITY BUILDING (PROTOCOL): The Secretariat introduced relevant documents (FCCC/SBI/2008/11, MISCs. 5-6, and FCCC/TP/2008/5). The G-77/CHINA called for enhanced capacity building to implement CDM projects. Crispin d'Auvergne (Saint Lucia) and Helmut Hojesky (Austria) will hold informal consultations.

PROTOCOL ARTICLE 3.14: The Secretariat introduced the item (FCCC/SBI/2006/27). A joint SBI/SBSTA contact group on Articles 3.14 and 2.3 was established and will be co-chaired by Kristin Tilley (Australia) and Kamel Djemouai (Algeria).

ADMINISTRATIVE, FINANCIAL AND INSTITUTIONAL MATTERS: The Secretariat introduced this agenda item (FCCC/SBI/2008/13 and Adds.1-2, FCCC/SBI/2008/10 and 18, FCCC/SBI/2008/INFs.1 and 9). Informal consultations will be chaired by Talieh Wogerbauer-Mamdouhi (Austria).

On privileges and immunities, parties supported considering the issue in the context of the second review under Article 9. TUVALU proposed a new legally-binding instrument and the EU said it should be part of a post-2012 agreement. Sebastian Oberthur (Germany) will hold informal consultations.

COMPLIANCE: The Chair will draft conclusions in consultation with interested parties.

INTERNATIONAL TRANSACTION LOG: The Secretariat introduced the relevant document (FCCC/SBI/2008/7). The Chair will draft conclusions in consultation with interested parties.

REPORTING AND REVIEW OF INFORMATION FROM ANNEX I PARTIES TO THE PROTOCOL: The Secretariat presented the relevant documents (FCCC/SBI/2008/INF.8 and MISC.7). Dominique Blain (Canada) will conduct informal consultations.

OTHER MATTERS: Annual compilation and accounting report for Kyoto Protocol Annex B Parties: The Secretariat presented the report (FCCC/KP/CMP/2008/9/Rev.1, Add.1 and Corr.1). The EU requested that information on emissions and accounting for Kyoto units be directly accessible on the Secretariat website.

AWG-LCA WORKSHOP

AWG-LCA Chair Machado explained that the workshop was an opportunity to develop a common understanding of a shared vision. The Bahamas, for AOSIS, said a shared vision should prevent further impacts on SIDS and LDCs. He supported stabilization at 350 ppm and limiting the temperature increase to 1.5°C, and called for mitigation by all parties. JAPAN proposed that parties adopt a global 50% reduction goal by 2050.

GHANA said a shared vision should address all elements of the Bali Action Plan, and not be temporarily limited in terms of actors and actions. BRAZIL said a shared vision should cover all building blocks, guided by the provisions and principles of the Convention. On mitigation, he supported 25-40% emission

reductions by Annex I countries, substantial deviation from the baseline by non-Annex I countries, and burden sharing based on historical responsibility and equity.

Bangladesh, for LDCs, said one of the key benchmarks for a shared vision should be that it minimizes the vulnerability of developing countries, LDCs and SIDS. The EU highlighted a pathway to below 2°C, which requires at least a 50% reduction by 2050 compared with 1990 levels, and for developing countries to deviate from business-as-usual by 15-30% by 2020.

Emphasizing historical responsibility, CHINA outlined criteria involving cumulative emissions and said developed countries should cut their emissions significantly to allow developing countries the space to develop. Speaking for a number of Latin American countries, ECUADOR said a shared vision should recognize the onus on all parties to step up their efforts, although developed countries must take the lead in mitigating climate change and provide adequate funding and technology transfer.

The BAHAMAS highlighted mitigation efforts by AOSIS. SAUDI ARABIA supported India and Brazil, noting that it would be unacceptable to renegotiate the Convention, and criticized proposals focusing on the energy sector. JAPAN highlighted growing support for sectoral approaches. SOUTH AFRICA said the EU's 30% emission reduction target by 2020 was not sufficiently ambitious and questioned the scientific basis for a 15-30% deviation from business-as-usual for developing countries by 2020.

INFORMAL CONSULTATIONS

AWG-KP - FLEXIBLE MECHANISMS: Parties generally expressed satisfaction with the Chair's note (FCCC/KP/ AWG/2008/INF.3) and discussed how to develop it further. Some parties expressed concerns that the option of maintaining the current rules had been relegated to a footnote. Discussions were largely procedural addressing ways to ensure that the note adequately reflects all parties' views.

AWG-KP - LULUCF: Parties discussed how to move forward based on the LULUCF Annexes to previous AWG-KP reports (FCCC/KP/ AWG/2008/3 and 5), and past and future party submissions. Parties then discussed, *inter alia*, natural disturbances, non-permanence under the CDM and further activities under Protocol Article 3.4 (additional activities). Further informal consultations will address submissions from the parties to clarify positions for next year.

IN THE CORRIDORS

The AWG-LCA workshop on a shared vision was a topic of conversation on Tuesday evening, with most participants apparently pleased with the event. While nobody claimed to have heard anything surprising, many felt that the workshop had fulfilled its objective. "It generated a lot of discussion and there seemed to be more substance than before," said one observer. While some worried that differences were becoming more apparent, a few non-Annex I negotiators seemed satisfied that developing countries had all expressed similar ideas. "We're all singing the same song," said one.

Meanwhile, delegates in the AWG-KP were wondering how to move from compilations of views to text on LULUCF and the flexible mechanisms. "LULUCF seems to be on its way to a negotiating text, but I'm not sure how that's going to happen in the mechanisms group," said one participant. "There's so much on the table and we aren't cutting any of it," said another. "The first text is going to be a sea of brackets."

On the SBI and SBSTA side, some participants seemed overwhelmed by the rapid pace of the discussions on Tuesday. A few were commenting on the Chairs' attempts to defer substantive consideration of many agenda items to later SB sessions. "They're trying to clear delegates' plates so they can focus on the post-2012 negotiations and the Copenhagen deadline," observed one veteran.

Finally, some delegates were noting the Bureau's decision to change the date for observing the Eid Al-Adha festival from Tuesday, 9 December to the previous day. "This means no official meetings on either Sunday or Monday – two days in a row – which must be a first for the UNFCCC," said one delegate.