

## SB 30 AND AWG HIGHLIGHTS: TUESDAY, 2 JUNE 2009

In the morning, the SBI and SBSTA continued their opening plenaries. In the afternoon, the SBI plenary reconvened, the AWG-LCA convened in an informal plenary, and the AWG-KP held contact groups on Annex I emission reductions and on other issues identified by AWG-KP 6.

### SBI

**ORGANIZATIONAL MATTERS:** SBI Chair Bratasida informed parties that informal consultations on the agenda are continuing.

**NON-ANNEX I NATIONAL COMMUNICATIONS: Consultative Group of Experts on Non-Annex I National Communications (CGE):** Under this item (FCCC/SBI/2007/10/Add.1; FCCC/SBI/2007/MISC.7 and Adds. 1 and 2), several parties made statements on issues relating to non-Annex I national communications.

NEW ZEALAND stressed that greenhouse gas (GHG) inventories are crucial for informed policy decisions at the national and international levels, mentioning discussions on MRV and NAMAs under the AWG-LCA. With the US and CANADA, he expressed disappointment that the sub-item on information contained in non-Annex I national communications would not be discussed.

Brazil, for the G-77/CHINA, expressed “profound disappointment” that the CGE has not operated for a year and a half, stressing that this undermines non-Annex I parties’ capacity to prepare national communications. Supporting renewal of the CGE’s mandate, he said the CGE should be driven by developing country needs and that any review process for non-Annex I national communications is not acceptable. On financial and technical support, he lamented constraints, including those related to the GEF’s Resource Allocation Framework. He emphasized that the extent to which non-Annex I parties implement their commitments depends on developed country support. CHINA highlighted the requirement for new and additional financial resources to meet the full cost by developing countries for preparing their national communications.

St. Vincent and Grenadines, for AOSIS, stressed the need to renew the CGE’s mandate. URUGUAY lamented halting the CGE’s work as a “lost opportunity” and stressed its negative

implications. GRENADA urged a decision that would enable the CGE to resume functioning and stressed the CGE’s role in providing technical support, guidance and training, as well as compiling information. Noting that over 60 developing countries are preparing their second communications, he stated the CGE’s absence compromises developing countries’ ability to participate in the Convention process. SENEGAL, MAURITANIA and THAILAND stressed the need for support from the CGE in preparing their national communications.

NORWAY highlighted the need for better GHG inventories on a more regular basis. The US said work on this issue should be guided by the Convention’s ultimate objective, and supported improving information on non-Annex I emissions and implementation of the Convention. CANADA highlighted the importance of national communications and GHG inventories for assessing the overall impact of parties’ measures on climate change. AUSTRALIA identified the need to build institutional capacity and called for regular data from all countries, saying national inventory reporting is fundamental for the post-2012 period.

**Financial and technical support:** The GEF reported on support for non-Annex I national communications (FCCC/SBI/2009/INF.5).

Marie Jaudet (France) and Julia Martinez Fernández (Mexico) will co-chair a contact group on non-Annex I national communications.

**CONVENTION ARTICLES 4.8 AND 4.9: Progress on the implementation of decision 1/CP.10 (Buenos Aires Programme of Work):** SBI Chair Bratasida noted that no conclusion could be reached at SBI 29 on this issue. The Cook Islands, for AOSIS, urged consideration by the SBI of the recommendations forwarded by SBSTA on the NWP (FCCC/SBSTA/2008/L.22).

SBI Chair Bratasida proposed separating discussions on the adverse effects of climate change, and on the impact of response measures, with equal time allocated to both.

Leon Charles (Grenada) will hold informal consultations.

**Matters related to LDCs:** The LDC Expert Group (LEG) reported on its work and fifteenth meeting in Cotonou, Benin, in March 2009 (FCCC/SBI/2009/6), noting that 41 NAPAs have been submitted, and three projects have received GEF endorsement for implementation.

Lesotho, for LDCs, stressed the importance of moving beyond implementation of pilot projects to full implementation of NAPAs and, with TANZANIA, the PHILIPPINES and TUVALU, deplored the conditionalities attached to project financing, particularly co-financing requirements.

Margaret Sangarwe (Zimbabwe) will hold informal consultations.

**TECHNOLOGY TRANSFER:** The Secretariat introduced the item (FCCC/SBI/2009/3; FCCC/SBI/2009/INFs.1 and 4; FCCC/SBI/2009/MISC.4; FCCC/SB/2009/1-3 and summaries). The Expert Group on Technology Transfer (EGTT) presented its report on future financing options for enhancing technology development and transfer (FCCC/SB/2009/2). The GEF presented its interim report on progress made in implementing the Poznań strategic programme on technology transfer (FCCC/SBI/2009/3).

JAPAN said the work on performance indicators has strong ties with AWG-LCA discussions on MRV, and supported cooperation between the two groups to promote technology transfer. Ghana, for the G-77/CHINA, supported by AUSTRALIA, proposed postponing work on the review of the effectiveness of the implementation of Convention Articles 4.1(c) and 4.5 (Technology Transfer) until June 2010. BELARUS suggested establishing a new subsidiary body on technology development and transfer, or expanding the EGTT to the level of an advisory center. She also emphasized that countries with transition economies need investment and easy access to low carbon technologies. The PHILIPPINES stressed that technology transfer is a commitment from developed countries under the Convention, and MALAYSIA lamented that after many years of discussions, pilot projects are only now being implemented.

Holger Liptow (Germany) and Carlos Fuller (Belize) will co-chair a joint SBSTA/SBI contact group.

**ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS:** The Secretariat introduced the issue (FCCC/SBI/2009/7), identifying the need for decisions regarding COP 15 on, *inter alia*, the high-level segment, matters related to outputs of the AWGs and scheduling of SBs.

**COP 15 and COP/MOP 5:** Denmark updated delegates on logistical preparations for COP 15, and encouraged all delegations to attend a related side event on 8 June 2009.

Sudan, for the G-77/CHINA, called for a contact group on these issues. AUSTRALIA proposed allocating limited time to the SBs and finalizing as much SB work as possible at this session. NEW ZEALAND suggested addressing SB items, which are closely linked to the AWGs, and possibly a four-day high-level segment. The PHILIPPINES asked about funding for developing country participation at COP 15. Noting generous contributions to the trust fund, the Secretariat said two delegates from each eligible country would be funded to participate, and asked those countries in a position to do so to make contributions.

**Future sessional periods and organization of the intergovernmental process:** The Secretariat confirmed that the venue for the 2-6 November 2009 meeting of the AWGs is Barcelona, Spain.

**Observer organizations:** CLIMATE ACTION NETWORK stressed transparency as key to a successful outcome in Copenhagen, and called for civil society input through official

interventions and consultations. INTERNATIONAL TRADE UNION CONFEDERATION explained why linkages between climate change and labor should be addressed, stressing that sustainable solutions come from the early inclusion of social and economic dimensions.

Georg Børsting (Norway) and Richard Muyungi (Tanzania) will co-chair a contact group.

**REPORTING AND REVIEW OF INFORMATION FROM ANNEX I PARTIES UNDER THE PROTOCOL:** The Secretariat introduced the item (FCCC/SBI/2009/INF.2). CHINA emphasized the importance of including developing countries in the review process and the need for capacity building and technical training to facilitate their inclusion. AUSTRALIA called for improving the review process. NEW ZEALAND stressed that funding should come out of the core budget rather than from voluntary funds, in order to ensure a timely and effective review.

Anke Herold (Germany) will hold informal consultations.

**PROTOCOL ARTICLE 3.14 (ADVERSE EFFECTS):** Eduardo Calvo Buendia (Peru) and Kristin Tilley (Australia) will co-chair a joint SBI/SBSTA contact group.

**COMPLIANCE:** The Secretariat introduced the item, which is related to a proposal by Saudi Arabia at COP/MOP 1 to amend the Protocol with respect to compliance (FCCC/KP/CMP/2005/2). SBI Chair Bratasida will draft conclusions in consultation with interested parties.

#### SBSTA

**METHODOLOGICAL ISSUES (CONVENTION): GHG Inventories:** The Secretariat introduced the item (FCCC/SBSTA/2009/INF.2). NEW ZEALAND stressed the importance of providing the Secretariat with resources for training and support. SBSTA Chair Plume noted the need for concrete proposals regarding training programme updates and training of inventory experts.

Anke Herold (Germany) will hold informal consultations.

**IPCC Guidelines:** The Secretariat introduced the item (FCCC/SBSTA/2009/MISC.3). Emphasizing the needs of countries without capacity to prepare national GHG inventories, the IPCC discussed the update of its 2006 Guidelines for National Greenhouse Gas Inventories, *inter alia*, to reflect current scientific practice and standards, and to reduce uncertainty. AUSTRALIA proposed reviewing the Guidelines following the adoption of the post-2012 framework to ensure that they meet parties' needs in implementing the post-2012 outcome.

Riitta Pipatti (Finland) and Hongwei Yang (China) will hold informal consultations.

**METHODOLOGICAL ISSUES (PROTOCOL): HCFC-22/HFC-23:** SBSTA Chair Plume introduced the item which concerns facilities seeking to obtain Certified Emission Reductions (CERs) for the destruction of trifluoromethane (HFC-23), a by-product of the production of the coolant chlorodifluoromethane (HCFC-22). CHINA highlighted recent developments under the Montreal Protocol on Substances that Deplete the Ozone Layer relating to the phase out of HCFC-22, which would result in fewer HFC-23 facilities in the future. He called on SBSTA to reach a conclusion on this issue.

Samuel Adejuwon (Nigeria) will conduct informal consultations.

**Carbon capture and storage (CCS):** CANADA, AUSTRALIA, KUWAIT and NIGERIA, opposed by ARGENTINA, VENEZUELA and BRAZIL, supported the inclusion of CCS under the CDM. VENEZUELA called for interaction between the SBSTA and the CDM Executive Board in considering this issue.

BUSINESS AND INDUSTRY emphasized it would not be possible to halve global GHG emissions by 2050 without CCS and that opposition denies developing countries access to technology available in developed countries.

**Common metrics to calculate carbon dioxide equivalence of GHGs:** The Secretariat noted the report from the IPCC Expert Meeting on the Science of Alternative Metrics held in Oslo, Norway, in March 2009 and the IPCC presented its key conclusions.

NEW ZEALAND highlighted that global warming potentials (GWPs) with a 100-year time horizon do not reflect the cost of impacts beyond a hundred years, including irreversible impacts. He stressed restricting emissions of long-lived GHGs. SWITZERLAND underscored field-testing and other practical steps to ensure a smooth transition to any possible alternate metric and, with CHINA, noted the present shortcomings of potential alternatives and called for further scientific work.

Michael Gytarsky (Russia) will chair a contact group.

**PROTOCOL ARTICLE 2.3 (ADVERSE IMPACTS OF POLICIES AND MEASURES):** Eduardo Calvo Buendia (Peru) and Kristin Tilley (Australia) will co-chair a joint SBI/SBSTA contact group.

**COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS:** UNFCCC Executive Secretary Yvo de Boer provided delegates with an overview of cooperative activities between the Secretariat and other bodies. CHINA recommended that the Secretariat provide parties with a document summarizing cooperative activities prior to future meetings.

The SBSTA Chair will prepare draft conclusions.

#### **AWG-LCA INFORMAL PLENARY**

AWG-LCA Chair Zammit Cutajar thanked delegates for accepting his draft negotiating text (FCCC/AWGLCA/2009/8) as a starting point for further work. He emphasized that parties could elaborate on and clarify proposals. He stressed that the texts' structure and sequence of discussions would not prejudice the final structure, content or legal form of the outcome.

On the order of discussions, AWG-LCA Chair Zammit Cutajar suggested beginning with adaptation, then addressing mitigation, finance, technology, with related capacity building, and then shared vision. He also suggested addressing finance and technology separately, and noted that the review of the capacity building framework under the SBI would be a useful input to the AWG-LCA when concluded.

The Philippines, for the G-77/CHINA, supported discussing the text in the following order: adaptation, financing, technology, mitigation and shared vision.

Responding to clarifications sought by the G-77/China, AWG-LCA Chair Zammit Cutajar said presentations made during the AWG-LCA workshops had also been taken into consideration when preparing the text. On the proposal to link the text to relevant provisions of the Convention and elements of the Bali Action Plan, he said parties could improve on this during consideration of the text.

AWG-LCA Chair Zammit Cutajar proposed an initial "lite" reading of the text as a whole, aimed at clarifying proposals, putting markers where additions could be inserted and identifying gaps. He also proposed a number of options for the second reading of the text, namely: continuing in an informal plenary; considering specific items in smaller groups, which would be open or closed to observers; or a hybrid option, which could involve an informal plenary and spin-off groups. He said this would be discussed and decided later.

CAPE VERDE and CAMEROON expressed concern that translation into some languages was still lacking.

AUSTRALIA highlighted her country's proposal on legal architecture, based on national schedules, and suggested adjusting the text's structure to accommodate this approach through a placeholder at the beginning of the mitigation section. She also proposed: capturing both common and differentiated responsibilities by placing common elements at the beginning of each chapter; and inserting placeholders for annexes.

Supporting coordination, coherence and synchronization between the two AWGs, JAPAN said the text should reflect the relationship between them, as well as issues considered under the AWG-KP.

Barbados, for AOSIS, called for a stronger link between adaptation and finance in the text, and emphasized that the text must reflect the same sense of urgency as the Bali Action Plan and the science. He stressed the need to recognize and prioritize the needs of the most vulnerable, and identify gaps between what is available and what is needed for adaptation. He also lamented the lack of reference to SIDS in the text on shared vision, and said relevant language in the Bali Action Plan, which references LDCs and SIDS, should be mainstreamed throughout the text.

The G-77/CHINA reiterated that many of the Group's proposals are not adequately reflected in the text and stressed the need to be guided by the provisions of the Convention. She identified the need to specify which article of the Convention each paragraph seeks to enhance. She also said that the language should be consistent with the Convention and the Bali Action Plan, and opposed "blurring categories of countries" by including references such as "poor developing countries." She opposed making a distinction between means of implementation and institutional arrangements.

TUVALU said his submission, which is in the form of a protocol, was not reflected in the text and hoped it would be incorporated in the next iteration of the text. Noting that the AWG-KP's work should lead to a separate outcome, he envisaged two legal instruments from Copenhagen.

SOUTH AFRICA emphasized the need to focus on implementation rather than planning, noting that the adaptation chapter currently concentrates on planning. She stressed that the "firewall" between mitigation by developed and developing countries was fundamental to the structure of the final agreement. She noted that the proposal on compliance under the section on finance should be applied more broadly to the sections on mitigation, adaptation and technology, and that text on capacity building requires extensive further work.

The Czech Republic, for the EU, noted functional linkages between the AWGs. He said that references to the EU's submissions on low-carbon development strategies were not in their proper context, and that the various institutional proposals

should not be viewed in isolation. He suggested “taking a step back” at some point to examine the functions of the different proposed institutions.

CANADA reaffirmed the principle of common but differentiated responsibilities and respective capabilities while highlighting parties’ common commitments under the Convention. He explained that common commitments do not mean that “one size fits all.” He said all developed countries should commit to absolute, economy-wide goals by 2020. He noted that all, apart from LDCs, should undertake NAMAs based on mitigation potential and national circumstances, leading to a clear deviation from the business-as-usual baseline by 2020, and identified the need to enhance capacity to define national baselines.

#### **AWG-KP CONTACT GROUPS**

**ANNEX I EMISSION REDUCTIONS:** Co-Chair Gertraud Wollansky (Austria) recalled instructions given by the AWG-KP Chair to focus on advancing negotiating text and move away from drafting conclusions. She sought parties’ views on how the contact group should proceed.

CHINA stressed the need to focus on numbers and not on text. SOUTH AFRICA proposed starting with the scale of Annex I aggregate emission reductions, and then proceeding to joint and individual contributions. He noted that at AWG-KP 7, parties had different approaches to defining individual contributions and said these may need to be discussed. He also noted that issues, such as duration and number of commitment periods, and base year are related to numbers. BOLIVIA recalled the agreement to allocate two-thirds of the time available to discussing emission reductions and legal matters, and said the key focus must be on the scale of emission reductions.

SWITZERLAND said the legal text to be communicated to parties on 17 June 2009 should cover both the figures, as well as means available for Annex I parties to achieve these objectives. AUSTRALIA and the EU highlighted the need for an iterative approach. SWITZERLAND, AUSTRALIA, the EU and JAPAN also highlighted that the figures are part of a broader context, and the task is therefore more complicated than only agreeing on the numbers. The EU emphasized that the numbers pledged by Annex I parties so far are based on different assumptions on issues such as the flexibility mechanisms, LULUCF and bunker fuel emissions. Supported by JAPAN, he said that without clarifying these assumptions, the figures “are meaningless.” SOUTH AFRICA proposed that parties should assume that the rules remain unchanged and concentrate on numbers, and then if rules improve on the basis of negotiations in other groups, associated changes in the level of ambition can be discussed.

The EU supported an aggregate reduction of 30% from 1990 levels by 2020, and noted their submission on relevant criteria for determining fair and comparable contributions, including responsibility and capability. He also proposed considering adding certain countries to Annex B. Senegal, for the AFRICAN GROUP, said an aggregate target should be a goal. ARGENTINA stressed the need for science-based aggregate numbers, while INDIA cautioned that the 25-40% reduction range for Annex I countries in the IPCC AR4 is not scientific but based on hidden assumptions about appropriate division of efforts between developed and developing countries. JAPAN said that any discussions of the aggregate range without the US cannot be conclusive, and, with AUSTRALIA, stressed links with the

AWG-LCA mitigation discussions. JAPAN identified the need for “a truly effective international agreement” and stated that the AWG-KP can only discuss a part of it.

The RUSSIAN FEDERATION stressed the importance of discussing the criteria for establishing individual commitments. CANADA noted that the structure of Annex B, base year selection, ways of expressing commitments, emission pathway and the length of the commitment period could enable more productive discussions on individual numbers. JAPAN, opposed by the EU and NORWAY, suggested expressing individual commitments in terms of absolute emission amounts, as opposed to percentage reductions. Co-Chair Wollansky proposed beginning with a discussion of aggregate numbers, bearing in mind associated issues, and proceeding in an iterative manner to discuss individual commitments. She said she would refine this plan for continued discussions on Wednesday.

**OTHER ISSUES IDENTIFIED BY AWG-KP 6:** AWG-KP Vice-Chair Dovland reminded parties of the contact group’s focus on issues identified in paragraph 49(c) of the AWG-KP’s work programme, namely: the flexibility mechanisms; LULUCF; GHGs, sectors and source categories; common metrics; possible approaches to targeting sectoral emissions; bunker fuels; and analysis of efforts and achievements to date.

Discussions focused on how to organize the contact group’s work, with parties identifying their priorities. AWG-KP Vice-Chair Dovland noted the need for prioritization and proposed a spin-off group to consider LULUCF issues, with substantial time dedicated to these discussions. Parties agreed to this proposal. Some, including the EU, CANADA, COLOMBIA and PANAMA, stressed the need to discuss the flexibility mechanisms and AWG-KP Vice-Chair Dovland said they would also be considered.

#### **IN THE CORRIDORS**

While the SBSTA and SBI continued their opening plenaries, the AWG-KP and AWG-LCA kicked into a higher gear with the commencement of contact groups and an informal plenary. Under the AWG-KP, some participants characterized the day’s deliberations as “useful but not too exciting.” Delegates spent the afternoon contact groups in largely procedural discussions on how to structure their work for the remainder of the meeting. While the “other issues” group agreed to prioritize LULUCF discussions in Bonn, the “numbers group” planned to proceed iteratively between aggregate and individual commitments. “It was a good start,” said one AWG-KP delegate, “though I’m still not sure how the ‘numbers group’ is going to move forward - we’re still looking at some pretty fundamental disagreements.”

Meanwhile, informal consultations on how to proceed with the agenda and the financial mechanism under the SBI continued throughout the day, “almost reaching agreement but just coming up short,” according to one delegate.

After its initial informal plenary session, AWG-LCA delegates were left with some food for thought regarding how to address issues and proceed after the first reading of the negotiating text. Some concerned-looking observers were heard wondering whether they would be sitting inside or outside the negotiating room when the second reading of the negotiating text begins. However, no one appeared particularly perturbed over the confirmation that the November meeting would be held in Barcelona. “I’m packing my shorts,” joked one far-northern delegate.