

Subsidiary Bodies' work continues to face challenges

Bonn, June 11 (Hilary Chiew*) – Several Contact Groups of the 40th session of the Subsidiary body on Implementation (SBI) and the Subsidiary Body on Scientific and Technology Advice (SBSTA) met over the weekend of 7-8 June.

The other highlight of the weekend was the Third Structured Expert Dialogue under the 2013-2015 Review. The Dialogue conducted all four parts of its third dialogue session (6-8 June) aimed at making a contribution to the assessment of the adequacy of the long-term global goal and the overall progress made towards achieving it, to the extent possible, on the basis of the new reports of the Intergovernmental Panel on Climate Change's fifth assessment on adaptation and mitigation.

Impact of the implementation of Response Measures

The Contact Group on this joint agenda item of the two subsidiary bodies (SBs) first met on 7 June and went into a deadlock over the 'completion' of the review of the work of the forum at Warsaw last November. Developing country Parties stressed that the review was concluded in Warsaw while developed country Parties are of the view that "there was no conversation" after the review and therefore there is no conclusion to the process.

At the second Contact Group meeting on 8 June, facilitator Eduardo Calvo (Peru) said he sensed that there is willingness to provide recommendations to the Conference of Parties (COP) in Lima but some differences remained on the process on how to reach there. He proposed that Parties put in writing what they expect and think is missing in order to conclude the review and also a submission on elements for elaboration of a draft conclusion. Calvo also wondered if having one hour to exchange views

on the conclusion of the review would be a way forward with the aim to close it and another way is to mandate the secretariat to prepare a technical paper of the different lessons learnt.

In response, the **United States** said it is unsure if one session will be sufficient but welcome the time for discussion to conclude the review. The **European Union** said it wanted to capture in writing the assessment of the review and that will be conclusive for a recommendation.

Representing the Group of 77 and China (G77-China), Argentina said it needed to have consultations with the Group but expressed its concern that the facilitator's proposal on a submission contained elements for the closure of the review while it is clear for the Group that it was already closed in Warsaw.

It was dismayed by the call to undertake 'a review of the review', pointing out that the submissions and different text proposals put on the table in Warsaw were a result of the review conducted at the 39th session of the SBs. The discussions on textual basis that were held in Warsaw showed the completion of the review and the willingness of Parties to reach a decision after the review. Unfortunately, Parties could not finalise these negotiations and this is why we have to engage constructively in this session to move discussions on the basis of progress in Warsaw and not going around in circles on the review aspects that were already finalised.

The Group had from the onset noted its regret over the lack of agreement in Warsaw but it look forward to the favourable consideration for the continuation of the forum and the establishment of a mechanism to address the negative socio-economic consequences of response measures taken by developed country Parties on developing country.

It reaffirmed that the contents of the submission of the Group tabled in Warsaw has key substantive elements and merits attention and further discussion in order to make progress on specific actions to address the needs of developing countries and to have a decision in Lima. In this regard, it is worth considering the IPCC's 5th assessment report that takes on board the issue and the adverse side effects of response measures, including on employment, food security, income distribution, and sustainability of the growth of developing countries, among others.

Based on the review, it is clear there are gaps of implementation in terms of, *inter alia*, reporting by Annex I Parties on response measures; technical collaboration on modeling and methodologies; ways to strengthen multilateralism, in opposition to unilateral measures; assessment in the design and implementation of the response measures of developed countries of the economic and social consequences of those measures on developing countries, in order to strive to minimize adverse impacts; support to developing countries for economic diversification and in terms of transfer of technology, funding and capacity building; and the development of mechanisms for a just transition and creation of decent work .

Therefore, the G77-China said, there is a need to establish a Mechanism for Enhanced Action on Response Measures under the COP to facilitate implementation of enhanced action to address the negative social and economic consequences of response measures and to recommend specific actions, including in terms of support to developing countries, to avoid and minimize those consequences, and to deliver the functions as contained in the G77-China submission.

Saudi Arabia speaking for the Arab Group said it is extremely concerned that Parties are stepping back into the black hole in repeating ourselves that is not helpful at this point of time. It warned against being haunted by procedural question that would delay work. It said it is willing to engage constructively with partners on activities that can bring in different perspectives to improve understanding. It is important that Parties show seriousness as response measures are just one part of the bigger issue to be addressed. It said that as an outcome of the review, the Group had come up with a real way to address the gaps in the implementation of

how to address the negative impacts of response measures on developing countries. Cooperation, it said, remained the key issue in finding ways and means to better quantify and understand the impacts and how to avoid those negative impacts on developing countries.

It wondered if developed country Parties were making submissions without assessing the review and being informed by it, adding that there was no prescription on how the review is to be documented and Parties were just following the past practices of moving from one activity to another.

Ghana for the African Group said we are here to negotiate and send some information to Lima and looked forward to positive engagement from all Parties.

Sierra Leone representing the Least Developed Countries (LDCs) expressed disappointment that so much time had been spent last year in serious review of the forum and some Parties now want to start from scratch again. It said LDCs bear the brunt of the effects of climate change and needed immediate attention. Noting that there was no objection at the review when it was done, it urged Parties to move forward.

Echoing the developing country groupings' statements, **China** said so many voices are strongly suggesting that we move forward. It said the review which is an important work and formed the basis for future negotiation was finished. It said for the future, the discussion should be on the extension of the forum and some kind of mechanism besides the forum which can involve different capacities to deal with the problem. A day earlier, China also said that there are positive and negative sides to response measures but the focus is to find solutions to deal with negative impacts, adding that a dynamic mechanism is needed that involves a lot of countries, organisations and experts from different areas to find holistic solutions for the impacts from the implementation of response measures by developed countries on developing countries.

Singapore said the discussion in Warsaw was thorough and we should build on gaps identified. Therefore, the first and logical step forward will be the continuation of the forum to identify and fill the gaps but beyond that is a mechanism to

deal with the issues that come out from the forum.

South Africa, Kuwait, Iran and the United Arab Emirates supported the other developing countries' intervention and looked forward to engagement towards a decision in Lima.

Canada's representative said she is new to the process and would like to understand Parties' take on the Warsaw decision. It seemed to her that Parties have different perspectives on the Warsaw outcome hence without a common ground will not succeed in moving forward.

Japan said Parties had rushed work in Warsaw and it turned out that we still have a big gap of understanding on the issues so the idea to have a comprehensive review would be reasonable.

The next three meetings are scheduled for 10, 11 and 13 June.

2013-2015 Review

Developed and developing country Parties differed in their views on the future of the Structured Expert Dialogue (SED) including its conclusion and the use of different sources of information for the review to assess the adequacy of the long term global goal and the progress made towards achieving it.

(The SED was established by COP 18 to support the Contact Group to assist the COP in conducting the 2013-2015 Review.)

At the first Contact Group meeting on 7 June, developing countries said they preferred that the SED continued its work at the Ad hoc Working Group on Durban Platform for Enhanced Action (ADP) in October, in Lima and end at the 42nd session of the SBs in June 2015 while the European Union suggested its closure before next June (but did not specify the date). Others like New Zealand and Canada would like to see the final session of the SED next June. Australia is against having a SED session at the ADP meeting in October and to assess at Lima its future work.

Speaking for the Alliance of Small Island States (AOSIS), Trinidad and Tobago said further sessions of the SED would be necessary to consider the synthesis report of the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC) (to be released in October) and to consider other sources of information. It said

there are a few sources that would be important, in particular peer-reviewed literature that would become available post the IPCC working groups' cut-off date (March 15, 2013) as well as papers recognised by international and regional institutions.

On how the outcome of the Review will be taken up by the ADP, it said there should be regular report back of the SED work to the ADP and that it is important to have the SED session regularly in conjunction with the ADP if feasible.

In response to Australia, AOSIS said it is not agreeable to having the session off the table in October. It said the session at the end of the year (referring to COP) tends to be hectic and Parties have to consider the Synthesis Report of the IPCC AR5 as well as potentially other information. To dedicate two full days for one issue would not be feasible for small delegations, it appealed.

China is open to additional sessions of the SED but pointed out that additional funding should be provided to developing countries to ensure their participation. On information sources, it referred to its submission and previous statement which indicated clearly that there should be a balanced approach to the IPCC and non-IPCC information. Noting that a lot of time were spent on (assessing) the IPCC reports, the next step should be on the non-IPCC information. It said we can continue with the practice of informing the ADP on an on-going basis. It further said most discussions have been on the long-term global goal, mitigation and adaptation but the Contact Group would also have to assess the implementation of the commitment by Annex I Parties, in particular finance and technology development and transfer. It called for more submissions to address this specific information gap.

Echoing China, **Brazil** said it appreciated the idea of having an additional meeting in conjunction with the ADP session and ensuring the participation of developing countries with additional funding. It said it is good to start considering non-IPCC information at the next ADP session including submissions from Parties, National Communications, the International Consultation and Analysis process, biennial update report and other relevant reports and processes as well as the Nationally Appropriate Mitigation Actions registry and the Green Climate Fund report.

On when to conclude the SED, it drew Parties' attention to the Doha decision 1/CP.18 paragraph 91 which decided that *"the information gathering and compilation phase referred to in decision 2/CP.17, paragraph 164, shall run continuously from the start of the review in 2013 and should end not later than six months before the conclusion of the review in 2015, unless critical information emerges during this period that requires consideration."*

Bhutan said while findings of the IPCC are critical and should be considered and fed into the negotiation process, it would also like to flag other sources of information including literature after the cut-off date of the IPCC AR5.

India endorsed the statements of China and Brazil, said the review needs to take into consideration regional aspects, particularly the changing monsoon rainfall patterns and occurrence of drought. It also noted that the review needs to take stock of the issue of the global trend and future greenhouse gas emission, including mitigation pathways to meet the long-term global goal and analyse the key drivers, trends and inform Parties as they prepared their contribution.

Botswana agreed with Brazil and China on support for participation of developing countries. On source of information, it too want the Review to look at non-IPCC reports such as biennial update reports, the United Nations Environment Programme's Africa Adaptation Gap Report and other credible scientific publications out there. It understood that Review is one of the mechanisms for the 2015 Agreement, therefore, should be channelled to the ADP negotiation.

Saudi Arabia said there is whole lot of information that needs to be included for the Review. It said we are undertaking the Review simply because we want to make an informed decision and achieve a comprehensive outcome. It said bodies under the UNFCCC are constantly evolving and getting better over time as their level of knowledge grows. For example, it said it would be prudent to invite the GCF to inform us on the status of mobilisation of resources. It sees value in having a session in October, in Lima and in June next year.

The European Union (EU) is of the view that it is best to finalise the work of the Review by June 2015 and allow the ADP to take into account the outcome. It said the need for

additional sessions should be based on a balanced consideration of the input the Review should look into. It said IPCC (reports) is a key scientific input and adopted by the governments and should form the core of the information to be considered. Any additional information should be as scientifically robust as possible and that attention and time dedicated to all the sources should be balanced.

Australia said there is no need to rush into making decisions so we can keep options open and react in a dynamic way. With that in mind, it would have concern about a session in October.

New Zealand said further meetings could be informed by making an assessment of what information we still need to consider and how much time is left. On data after the cut-off date of the IPCC AR5, one way is to request the IPCC experts to inform about emerging data so as not to undermine the integrity of science and the findings of the IPCC.

It said the SED should end next June so Parties could look at the biennial update report to shed some light on the Review. It agreed with AOSIS to have regular meeting with the ADP as an on-going process.

Canada is curious if some Parties wanted an additional session because they think there is no SED next June.

Japan noted that the ADP is being informed regularly from the output of the SED and reminded that at the first and second sessions of the SED, we had looked at non-IPCC information including from the Technology Executive Committee, the Standing Committee on Finance, the Global Environmental Facility, the United Nations Environmental Programme and the World Meteorological Organisation. On the need for additional meetings, it said that would be decided if there are other information to be covered.

The United States said it is not convinced that the IPCC AR5 Synthesis Report warrants much time at the Lima session and that there is no substantial body of literature since AR5 that will change the conclusion (of the IPCC's working groups' reports) substantially.

Norway agreed that IPCC information is core and when assessing other literature, it is important that the IPCC's experts are available.

In response to Canada, **the EU** said it is of the view to end the SED before the next June session so that the joint Contact Group (on the 2013-2015 Review) has time to finish its work properly. So far, the Contact Group is only managing and guiding the SED and has not entered into the substance. On additional sessions, it agreed to have one in Lima and if necessary another session but preferred to close before next June and then call for submissions of Parties on how the Review should really be conducted in more substantial terms.

In conclusion, the co-Chairs said they would draw on information gathered at this meeting and from Parties' submissions to prepare a draft conclusion for Parties to consider at the next meeting on Tuesday (10 June) and to finalise it on Thursday (12 June).

Third Structured Expert Dialogue (SED 3)

At part 3 of the SED 3 session on 8 June when a lead author of the IPCC's Working Group III (WG III) presented the findings, the contentious issue of 'income categories' of countries triggered strong objection from several developing country Parties.

The SED conducted all four parts of its SED 3 (6-8 June) aimed at making a contribution to the assessment of the adequacy of the long-term global goal and the overall progress made towards achieving it, to the extent possible, on the basis of the IPCC AR5 WGII (Impact, Adaptation and Vulnerability) and WGIII (Mitigation of Climate Change).

Saudi Arabia recalled that when member states of the IPCC adopted the Summary for Policy Maker (SPM) of WGIII at Berlin in early April, there were a good number of countries that had objected to the inclusion of the section that was not approved by the governments and the panel of the IPCC. As member of the panel of the IPCC, we agreed to remove that section and that graph was not presented (in the SPM). We had reservation of the categories that came from the World Bank which has many flaws.

Saudi Arabia was reacting to the presentation of the controversial slide by IPCC co-chair Ottmar Edenhofer (Germany) subtitled "*Regional patterns of GHG emission are shifting along with changes in the world economy*" where it showed a graph of four income categories – low income, lower middle income, upper middle income and high income –

and the corresponding emissions in five economic sectors in the past 40 years.

Saudi Arabia expressed sadness that Edenhofer informed the meeting that these are the findings of the WGIII when that particular paragraph is not included in the SPM and the underlying report (which contained the paragraph and the graph) was only accepted but not approved. It said as 12 countries had strong reservation on this section of the underlying report, it does not see the point for Edenhofer to bring in those findings (in his presentation). It said the non-approval at the SPM level and of the underlying report should be acknowledged.

All 16 chapters, three annexes and the technical summary of the WGIII report carried a disclaimer that reads: "A report accepted by Working Group III of the IPCC but not approved in detail." (There is no line-by-line approval of the underlying report as is the case with the SPM according to IPCC procedures.)

Reinforcing the point made by Saudi Arabia, **India** said the actual carbon intensity has not changed much in the period of consideration (1970 to 2010), indicating that (economic) growth may not have contributed to the emission growth.

Brazil in supporting Saudi Arabia said the data came from the World Bank but at the political level in the UNFCCC, the recognition of Parties is between Annex I (developed countries and countries with economies in transition) and non-Annex I (developing countries).

China shared the concern on the categorisation of countries based on income. It said there are still a lot of questions relating to this approach. It said the countries contained in the upper middle income in 1970 are different from those in the year 2010 and urged the authors to examine the differentiation in emission between the country groupings according to the UNFCCC process.

In response, Edenhofer insisted that the graph was in the technical summary and the relevant chapter of the underlying report.

Issues related to agriculture

Negotiations in Bonn opened with Parties noting the useful contributions of the workshop held in Warsaw, which highlighted the impacts of climate change on agriculture and food security, and strategies for adaptation.

Egypt speaking for the G77 and China proposed that discussions continue under the mandate given by SBSTA 38, on the state of scientific knowledge on how to enhance the adaptation of agriculture to climate change impacts, particularly in developing countries. Malawi (speaking for the Africa group), The Gambia (for LDCs), India, Tanzania, Sri Lanka, Costa Rica, Ecuador, Kenya, China, and Argentina supported this proposal.

Argentina added appreciation for the workshop report as a useful guide to move forward under the SBSTA 38 mandate, but would have liked to have seen the G77's presentation reflected in the report, as agriculture is at the heart of development for developing countries. Argentina noted that the report was a useful document, but that it was produced by the secretariat, and therefore discussions needed to focus on the mandate given by Parties at SBSTA 38.

The US called for attention to focus on key areas of commonality identified in Paragraph 48 of the workshop report. New Zealand, Canada, Tanzania, Costa Rica, Kenya and The Gambia also proposed to look at Paragraph 48, which listed a number of areas related to adaptation, impacts, mitigation, efficiency, loss and damage and co-operation in research and development at national and international levels.

Costa Rica additionally proposed that discussions move forward towards a more ambitious framework for agriculture.

Australia said that strategies to help farmers could focus on: i) practices to improve water management; ii) practices to improve tillage practices (such as zero- or conservation-tillage); iii) practices to improve fertiliser application. It further proposed that discussions are framed around the question on how to help farmers produce more food, more efficiently.

The EU felt that after the workshop on adaptation, now was the time to extend to other issues such as mitigation, productivity and resource efficiency.

Bolivia highlighted that the need to support traditional and indigenous knowledge, and community based adaptation be included in the agenda.

The chair (Ethiopia) noted that between them SBSTA 38 and Paragraph 48 of the workshop covered many issues, so asked for some clear proposals to narrow the focus. The G77-China asked for, and was granted, more time to co-ordinate a list of proposed activities, for discussion at the contact group the following day.

(* With inputs from Teresa Anderson).