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SBI: Lima to kick off multilateral assessment of developed country emission targets

Geneva, 18 June (Indrajit Bose, Meena Raman and Hilary Chiew**)** **–** The 40th session of the UNFCCC's Subsidiary Body for Implementation (SBI) concluded on 15 June 2014 in Bonn, Germany, with agreement on the process for a multilateral assessment to promote the comparability of efforts among developed countries on their emissions reduction targets.

This was stressed by the SBI chair, Amena Yauvoli (Fiji), at the concluding session, who said that the multilateral assessment (MA) process would be launched on 6 December 2014 in Lima at the 41st session of the SBI.

Among the issues for the consideration of the SBI session was the reporting and review of Parties included in Annex I to the Convention (developed countries and countries with economies in transition), under which Parties discussed the status of their submissions and review of the 6th national communications and the first biennial reports.

The SBI Chair emphasised that the MA is a brand new process and an important one for the future, as Parties are advancing with the implementation of the Convention.

[The decision on the international assessment and review (IAR) of the developed countries' emissions reduction targets was taken in 2010 in Cancun, Mexico at the 16th meeting of the Conference of Parties (COP16). At the next COP in Durban, it was decided that "*the international assessment and review process will be conducted through a technical review of information and a multilateral assessment (MA) of the implementation of quantified economy-wide emission reduction targets*" and agreed that "*the first round of international assessment and review should commence two months after the submission of the first round of biennial reports by developed country Parties.*"]

The SBI Chair informed Parties of his bilateral consultations with Parties during the recent Bonn session and confirmed that they were in general support of his proposed way of organising the working of the MA session in Lima. The consultations helped build common understanding of the elements of the MA and its operationalization, he added.

Yavouli laid out the roadmap for the MA in Lima. He said that after its launch on 6 December, the MA working group session is planned to take place on 8 December, with a possibility to extend discussions to the morning of 9 December. After the completion of the work of the working group session, the SBI is planned to briefly resume its closing plenary meeting to formally close its 41st session. Yavouli sought the cooperation and support of Parties to ensure that all the other items on the SBI agenda be concluded by 5 December so that no negotiations continue in parallel with the MA session. A subsequent session is planned to be held in June 2015 during SBI 42, aiming to complete the MA of all the remaining Annex I Parties, he added.

He further informed Parties that the Bonn consultations on the MA also covered other procedural and operational issues. He said the Secretariat would send a notification on the process to all Parties in August this year. This formal notification will provide important guidance to Parties on their contribution and access to information required for the preparation of the MA session in Lima. This includes key milestones and timeline for the question and answers process as envisaged in the Durban decision as part of the MA. He said the list of Parties that will undergo MA in Lima will also to be presented in this formal notification.

Other SBI issues

The SBI had a number of other key issues to address at the June climate talks in Bonn. These included review of the modalities and procedures for the clean development mechanism (CDM), issues related to the least developed countries, National Adaptation Plans (NAPs), second review of the Adaptation Fund, capacity building, the Warsaw International Mechanism on loss and damage, 2013-2015 Review, technology development and transfer, response measures and arrangements for intergovernmental meetings.

Some of these issues such as the Warsaw International Mechanism on loss and damage, 2013-2015 review, technology transfer and response measures were under the joint consideration of the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA).

The task of the SBI was to reach conclusions on these issues and to produce draft decisions to be forwarded to the COP and the COP serving as the Meeting of Parties to the Kyoto Protocol (CMP) in Lima. Progress was made on some of the issues, while the next session of the SBI would continue to discuss areas where no consensus was reached.

The G77 and China was unhappy with the lack of adequate, predictable and sustainable financial flows to the Adaptation Fund and over the slow progress on the International Mechanism on loss and damage. A key issue in the loss and damage mechanism was setting up the composition and procedures of the executive committee of the mechanism. Developing countries wanted the process to be more transparent and put forth a demand that the committee must comprise a majority of developing country members. The Africa Group expressed strong reservations over the CDM process not moving ahead.

Another matter that saw major concerns from both developing countries and observers was a proposal by the UNFCCC Executive Secretary on "the need to introduce a cost recovery flat fee of $1000 for un-mandated servicing of side events and exhibits in the light of funding unpredictability." This matter was considered at a contact group under the agenda item on 'Arrangements for Intergovernmental Meetings' which was chaired by the SBI Chair. The G77 and China and other developing country Parties had raised their objections to this proposal as it would limit the participation of observers, especially from developing countries, with only the rich being able to afford the side events and exhibit spaces. This cost recovery measure proposal was subsequently withdrawn, following the intervention of Parties.

The SBI conclusion in this regard was as follows: "*The SBI recognized that side events and exhibits are an essential part of the UNFCCC process and an important tool for engaging observers in knowledge-sharing, networking and the exploring of actionable options for meeting the climate challenge. In this context, Parties recognized the need for financial support to the important work in relation to these activities, expressed concern about the cost recovery proposal, and encouraged alternatives to be proposed.*"

Tuvalu said it had expressed concern about the cost recovery proposal and was not clear about the how the "alternatives to be proposed" will be carried out. The SBI Chair noted Tuvalu's concern. (See also separate section on the 'cost recovery proposal' below).

Following are some of the interventions of Parties expressed their views during the SBI closing plenary.

Speaking on behalf of **G77 and China, Bolivia** said that setting the date for completion of the expert review process in time for an informed process in Paris (COP in 2015) would entail understanding the historical difficulties in completing the review process, as well as understanding the importance of knowing the compliance status of the Kyoto Protocol Parties in the first commitment period (CP1). Technical excuses should not delay this very important and politically sensitive issue, it said. It highlighted that the matter is paramount to trust building among Parties to the ADP (Ad Hoc Working Group on the Durban Platform for Enhanced Action) negotiations and that one cannot expect Parties to agree on new obligations without knowledge of their Partners' compliance with previous commitments.

On national communications (NCs) from Parties included in Annex 1, Bolivia reiterated that the Annex I Parties were urged to submit, by 1 January 2014, their sixth national communications and their national inventories using the revised reporting guidelines on annual inventories for Annex I Parties. On NCs from Parties not included in Annex I to the Convention, the G77 and China called on developed countries to enhance their financial support and technical assistance to developing countries to build their capacities needed to facilitate the preparation of NCs and biennial update reports.

On NAPs, it said adaptation is an urgent and high priority matter for developing countries, and the Group deplores the lack of funding and technical support to start the NAP process. Support for the least developed countries (LDCs) has been unacceptably slow, and the situation for the non-LDC NAPs is no different. It called for expedited funding to accelerate the NAP process.

On the Warsaw International Mechanism on loss and damage, Bolivia stressed the need to make the mechanism functional. The mechanism must address the needs of developing countries emerging from extreme and slow-onset events, and the urgency for this mechanism has only increased. This mechanism cannot be an empty shell, and the G77 and China was concerned about the development of the work plan being undertaken by the interim executive committee of the mechanism. It called for finalizing the organization and governance of the executive committee and the necessary arrangements that respond to the expectations of particularly vulnerable developing countries.

On the second review of the Adaptation Fund, while welcoming the pledges of developed countries of around US$100 million, Bolivia expressed concern that the sustainability, predictability and adequacy of resources to the Fund are still not dealt with. It called for the second review to provide recommendations to ensure that adequate and sustainable resources are available for the Fund, the only fund dedicated to adaptation in developing countries.

On technology transfer, Bolivia called on the Technology Mechanism to enhance the action of technology development and transfer and ensure coordination between the Technology Executive Committee (TEC) and the Climate Technology and Centre and Network (CTCN). It emphasized the necessity for the TEC to structure its work plan for the short and medium term, including the organisation of a thematic dialogue on enabling environments for technology development and transfer, including the mechanisms needed to address all barriers, such as intellectual property rights.

Capacity building is of utmost importance to the Group of 77 and China, Bolivia said. While the Group supports the Durban Forum on capacity building, the experience has been that it does not go far enough to adequately address their current needs and concerns.

The G77 and China reaffirmed the importance to give full consideration to what actions are necessary to meet the specific needs and concerns of developing country Parties arising from the impacts of the implementation of response measures. It called for the continuation of the forum and the establishment of a mechanism to address the negative economic and social consequences of response measures taken by developed countries on developing countries.

Sudan, speaking for the **Africa Group**, said that the resources available in the Adaptation Fund are not adequate to meet their needs. The second review of the Adaptation Fund should include potential sources of revenue streams; enhance direct access modalities; strengthen institutional linkages and relation between the Fund and other institutions. Expressing concerns over the CDM, it said that the CDM has not seen its way to Africa and hoped that reforms to the mechanism would address this.

Uganda also spoke for the **African Group** and complemented Sudan's statement by stressing that the Group is committed to the review of the CDM modalities and procedures. It was concerned that other Parties are not putting their weight behind the mechanism and do not seem to treat it as an urgent matter. It urged Parties to complete the review of the modalities and the procedures of the CDM in the Lima COP. It said that Africa started to benefit from the CDM very late, and it is starting to turn into a very useful mechanism for them. If the world did not act now, all the capacity they built would go to waste, it said. It requested Parties to work through their submissions and present constructive solutions, rather than abstract concepts and demands.

Speaking for the **Alliance of Small Island States (AOSIS), Nauru** said the Lima COP should ensure representation of Small Island Developing States (SIDs) on the executive committee of the Warsaw International Mechanism. It called for the creation of an organization and governance structure suitable for the operation of the mechanism, which should include a technical and financial facility; and a system should be established, which builds on work already completed. Nauru also called for tackling a number of outstanding issues related to enhancing action and support and mobilizing finance, technology and capacity building so developing countries are able to undertake actions on the ground.

It also said actions must be informed by the latest science and therefore the 2013-2015 Review is a priority. The joint SBI/SBSTA contact group on the Review must, with the assistance of the Structured Expert Dialogue (SED), deliver conclusions that lead to immediate implementation of the actions required to meet the 1.5°C goal. The Review must be based on the best, latest and most relevant science and must ultimately consider the specific impacts and risks to key sectors and systems at different levels of warming with a focus on particularly vulnerable countries such as SIDS and LDCs. AOSIS is of the view that the SEDs should take into consideration national and regional reports, studies, and other credible sources of information that are not always included in peer-reviewed journals in order to get a more complete picture of the effects of related-climate impacts. It also reiterated that the CDM is important to many developing countries and there is need for its evolution. AOSIS also stressed the need to consider ways to redesign the CDM to generate substantial emissions reductions for the benefit of the atmosphere.

Speaking for the **LDCs, Nepal** said the provision of adequate and predictable support to formulate and implement NAPs will be key to protect lives and livelihoods in the LDCs. It looks forward to a decision on implementation of NAPs at the Lima COP. It expressed concern at the lack of progress on the Warsaw International Mechanism on Loss and Damage. It also expressed concern on the lack of sustainable, predictable, and adequate resources in the Adaptation Fund. In relation to the SEDs and the Review, it re-emphasized the importance of considering evidence from non-IPCC sources (Intergovernmental panel on Climate Change), including relevant scientific inputs which would provide additional information on areas and regions that may not have been adequately covered.

The Philippines expressed concern and guarded optimism over the progress in the organization and governance of the Loss and Damage mechanism. Loss and Damage is of grave importance given its vulnerability to climate change. It stressed that it cannot be allowed to become another meaningless mechanism. The Philippines also expressed alarm on the situation of adaptation finance.

In an apparent reference to the cost recovery measure being withdrawn, the Philippines expressed its pleasure in the affirmation by the SBI of the fundamental value of participation by civil society observers and the value of their contributions. It urged the SBI to double the participation of observers and NGOs, especially from developing countries.

Bangladesh reiterated the importance of the implementation of the NAPs and the need to make the loss and damage mechanism functional. It also expressed concern over the lack of financial resources in the Adaptation Fund and said that US$100 million pledge was not sustainable. It called for "tangible" transfer of technologies to developing countries, especially vulnerable countries.

Speaking for the **Umbrella Group** of countries, **Australia** recognized that more work needs to be done on loss and damage and looked forward to finalizing the composition and procedures of the executive committee and issue a two-year work plan. On mitigation and transparency, it said the SBI has an important role in managing the implementation of the Convention's transparency arrangements. Australia said the group looked forward to the submission by Parties of their biennial reports and biennial update reports and to engage in the first rounds of multilateral assessment.

The **European Union (EU)** said Parties had useful exchange in the SEDs on setting out the next steps needed. It expressed disappointment on the lack of progress on the CDM, particularly on technical matters related to net mitigation from CDM. It said it needs additional space in Lima to operationalize the Loss and Damage Mechanism. It welcomed the progress made on transparency and reporting and added that it wanted to know how information contained in national communications and other reporting tools provide a basis for exchange on achievements, good practices and lessons learnt for all Parties.

A representative from the **Global Environment Facility** (GEF) informed Parties that the sixth replenishment process saw 30 donor countries pledging US$ 4.43 billion over the next four years. "This is a record replenishment for the GEF and a positive signal from the global community, including very strong support from developing countries," the representative said, adding that for climate change mitigation, the resource allocation rose to US$1.26 billion. The GEF has also approved support in relation to the 'intended nationally determined contributions' of seven countries.

Contact group on 'Arrangements for Intergovernmental Meetings'

At the contact group meeting on the agenda item on 'Arrangements for Intergovernmental Meetings' on 13 June, developing countries led the chorus of protests against a proposal by the UNFCCC's Executive Secretary on "the need to introduce a cost recovery flat fee of $1000 for un-mandated servicing of side events and exhibits in the light of funding unpredictability."

Representing **G77-China, Bolivia** expressed grave concerns and stated its opposition "clearly and strongly" not to limit civil society participation through the cost recovery approach. The Group believed that participation of observers should be the broadest possible.

Nicaragua said that for the sake of transparency and inclusiveness, it is very important that observers are not excluded from the UNFCCC. It was very concerned about the Secretariat's announcement (of the fee) because this implied that "only the rich and powerful will have voice in the (UNFCCC) system" adding that "the privatisation of the UN system was unacceptable as a matter of principle" and requested that the Lima COP be conducted in the same manner as previous COPs. It further pointed out that Parties "talk and talk" about the importance of observers' participation but such a move will only lead to a decrease of their participation. It warned that after the walk out by (civil society) observers in Warsaw, this move will become a political issue that Parties can do without. "We need to have the same modalities like in previous COP and nobody is naive (as to) why this is happening," said Nicaragua further. Pointing to the US$2billion in outstanding contributions of the developed countries, it said the payments should be completed so that there will be no last moment decisions to limit side events in Lima.

Bangladesh speaking for the **LDCs** said it put enormous value on the participation of observer organisations especially those from the South. It wanted the Secretariat to engage with the observers organisations to sort out the problem.

Cuba said the problem is not only a financial issue but also a political one as it would mean only the developed countries will have opportunity to hold side events while developing countries (that cannot afford the fee) will not be able to show their successes and issues related to climate change.

China said non-governmental organisations from developing countries should be fully supported by the UNFCCC as their productive participation at the COP and other climate conferences would be very helpful to their domestic work on climate change.

The **Philippines** said observers' participation is of fundamental value, adding that the flat rate maybe affordable to some organisations but many developing countries' organisations would be disadvantaged.

Saudi Arabia, Brazil, Kenya, Micronesia, Argentina and Singapore all supported the position of G77 and China, underscoring the importance of civil society organisations contribution to the process.

New Zealand noted that the side events number is getting too big but agreed with the G77 and China that money should not be the deciding factor on who can hold side events. It urged the Secretariat to find criteria to limit the number of side events.

The European Union said it sympathised with the G77 and China's statement noting that participation of observers is integral to the process and should not be defined by their ability to pay. It recalled that it had at the first meeting of the contact group asked the Secretariat to consult the observers before concluding on the way forward and hope the consultation will find agreement. **Australia** said it appreciated the need for cost recovery but in this instance perhaps, the private sector can contribute but the non-governmental organisations to be treated differently.

The United States said it believes strongly in the participation of civil society organisations but at the same time are mindful of the budgetary constraints. It noted that it had heard a lot of concern both from CSOs in the US and developing countries so it is an issue that cut across developed and developing countries. **Japan** agreed and emphasised the importance of observer organisations.

The following day, SBI Chair Amena Yauvoli announced at the start of the contact group meeting that the Secretariat met with observation organisations in the morning and decided to withdraw the cost recovery measure.