

SBSTA makes some progress on key issues

Bonn, 24 June (Hilary Chiew) – The 40th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA) closed in the early afternoon of 15 June with Parties reaching conclusions on many items, including two highly contentious issues which were transmitted from the 39th session in Warsaw last November.

The two issues are the future of the forum and the work programme on impacts of the implementation of response measures, and the application for observer status for the Technology Executive Committee (TEC) in the World Intellectual Property Organisation (WIPO) and the World Trade Organisation (WTO). The latter was dealt with under the agenda item on technology development and transfer, with the United States primarily objecting to such observer status. This matter was finally resolved in an informal setting by a small negotiating group.

Another agenda item that was intensely negotiated were the issues related to agriculture which concluded with Parties welcoming the concrete step forward after many years of deliberation.

However, the deadlock from Warsaw as regards the consideration of the sub agenda item of the methodological issues under the Kyoto Protocol (KP) related to clarification of section G of the Doha Amendment to the KP remained unresolved. SBSTA will continue its consideration of this matter at its next session taking into account the options for elements for the text of a draft decision.

Despite reaching a conclusion, several Parties expressed their dissatisfaction over the conclusion of the agenda item on *'Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and*

enhancement of forest carbon stocks in developing countries' (REDD+). (For more details see TWN Bonn News Update No. 24: "SBSTA – Discussion to continue on non-market alternatives to REDD+").

Twenty one conclusions were finally adopted from work at the Bonn session (4-15 June), except for two issues which will be taken up at its next session. There are common metrics to calculate the carbon dioxide equivalence of greenhouse gases, and the implications of the inclusion of reforestation of lands with forest in exhaustion as afforestation and reforestation clean development mechanism project activities. (For more details on the SBSTA conclusions please see TWN Bonn News Update No. 27.)

Bolivia speaking for the Group of 77 and China (G77-China) said the conclusion that was reached on issues related to agriculture is a concrete step forward and it welcomed the four in-session workshops that will be conducted up till SBSTA 44 (mid-2016) and followed by consideration of the outputs at SBSTA 45 (end of 2016).

It noted that it is clear that those workshops and the technical and scientific SBSTA work will be conducted under the mandate of SBSTA 38 on the current state of scientific knowledge on how to enhance the adaptation of agriculture to climate change impacts while promoting rural development, sustainable development and productivity of agricultural systems and food security in all countries, particularly in developing countries, taking into account the diversity of the agricultural systems and the differences in scale as well as possible adaptation co-benefits.

These, it stressed, are based on the objective, principles and provisions of the UN Framework Convention on Climate Change, and to ensure that food production is not threatened, and to

enable economic development to proceed in a sustainable manner, even more taking into account the importance of the agricultural sector for the achievement of economic and social development and poverty eradication in developing countries.

On response measures, it reaffirmed the importance to give full consideration on what actions are necessary to meet the specific needs and concerns of developing countries arising from the impacts of the implementation of response measures. In this regard, even though it regretted the initial procedural discussions held in these sessions on the review that was already completed in Warsaw, it welcomed the final progress achieved in terms of the request for a technical paper and synthesis report; the recognition of the formal conclusion of the review of the work of the forum; and the definition of the way forward for the adoption of a decision at COP 20 (in Lima).

In this regard, it reaffirmed the contents of the submissions that the G77-China tabled in Warsaw and here in Bonn 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 country Parties on developing country Parties. It believed that its proposal has key substantive elements towards the achievement of progress and trust that Parties will continue the constructive engagement in Lima towards the adoption of a decision on the issue.

On technology, the Group emphasised the necessity for the TEC to structure its work plan in the short and medium term, including the organisation of a thematic dialogue on enabling environment for technology development and transfer including the mechanisms needed to address all barriers, such as intellectual property rights.

On the Warsaw international mechanism for loss and damage associated with climate change impacts, the G77-China stressed that it is paramount to make this mechanism functional. It stressed that a long road remains towards making the mechanism meaningful. This mechanism must address the needs of developing countries emerging from extreme and slow-onset events, and the urgency for this mechanism has only increased. It said the mechanism cannot be an empty shell, reiterating

its great concern over the development of the work plan of the mechanism being undertaken by the interim Executive Committee. It called for the finalising of the organization and governance of the Executive Committee and the necessary arrangements that respond to the expectations of particularly vulnerable developing countries.

It also was committed to continue working together on all three work programmes namely the framework for various approaches, non-market based approaches and new market mechanism in a balanced way. It believed that information should be shared amongst Parties based on experience and good practice relevant to the design and operation of both market and non-market based approaches, including proposals on approaches developed or being developed by Parties individually or jointly, so that the SBSTA may consider the design and operation of the framework for various approaches.

In welcoming the draft conclusions on research and systematic observation, it expressed concerns that capacity is still limited in climate research in regions. In addition, geographic disparities continue in available evidence for assessing climate change impacts. G77-China emphasised the need to enhance scientific and technical capacity in those regions to fill these gaps.

The Group said under the SBSTA's agenda items 12(a) and 12(b), that relate to Articles 5, 7 and 8 and Article 3 paragraph 7 *ter* of the Kyoto Protocol (KP), the Group had worked constructively to generate the necessary clarification on the rules to achieve a sustained and effective implementation of the second commitment period of the KP in manner that maintains the environmental integrity of the commitments agreed in Doha. Unfortunately, it said, flexibility and constructiveness were not always presented by developed countries. It hoped this is not being taken by Parties as an excuse for not ratifying the second commitment period of the KP, as any ambiguity in our understanding of Article 3 paragraph 7 *ter* has been raised by Parties with commitments under Annex B to the KP. It recognised that important work is needed on the in-session discussion document, which the Parties were close to finishing in Warsaw. However, here in Bonn, there was no advance in removing the problematic text within those brackets. It hoped

is that this document would be closed in Lima and there will be a chance to move onwards with consideration of other issues related to this agenda item. It said that all must strive to protect the environmental integrity of the KP.

Sudan speaking for the African Group welcomed the conclusions on the joint annual report of the TEC and the CTCN (Climate Technology Centre and Network), adding that the report has a lot of implications as regards the enhancement of linkages between the Technology Mechanism and other institutions in and outside the Convention. The report, it added, also touched on the need to address the barriers to technology and the need to converse with other institutions with the view of resolving the barriers to technology. It looked forward to having a decision in Lima that will provide the TEC with further guidance and mandate to continue engaging the relevant institutions with a view to resolving the identified barriers to technology and enhancing synergy with relevant institutions.

The African Group also welcomed the conclusions on discussions of the synthesis report that was compiled by the UNFCCC Secretariat. The synthesis report, while emphasizing the importance of technology needs assessment (TNAs), contained very useful information that can help in advancing the implementation of the Technology Mechanism in a positive direction. It looked forward to a decision that will encourage developed countries to provide adequate and consistent financial support in accordance with the provisions of the Convention to enable the implementation of the outcomes of the TNAs including the action plans.

It welcomed the SBSTA's substantive conclusions on issues related to agriculture after five years of negotiations. The Group reiterated that the contribution of the agricultural sector to food security and sustainable socio-economic development is of great importance to eradication of poverty. It said the African Union has put much emphasis in agriculture as one driver of development in Africa.

It further said Africa is severely affected by the loss and damage associated with climate change impacts. It was highly concerned about the slow progress in achieving the mandate during this session and hoped for its prioritisation at the next session. The finalization of the governance

and organization structure of the Executive Committee is necessary for the effective implementation of the functions of the Warsaw International Mechanism.

While acknowledging the progress achieved on methodological issues under the KP, it reiterated that methodological discussions should not be used to re-negotiate the Doha Amendments to the KP. It stressed that it will not succumb to pressure to re-interpret and weaken the KP rules as the KP remains the only legally binding rules-based multilaterally negotiated instrument. It was also concerned about the slow ratification of this instrument. It further registered its concern regarding the attempt to change the common metrics used to calculate the carbon dioxide equivalence of greenhouse gases. This has a potential to change everyone's numbers (emission reductions targets). It called on Parties to exercise caution in pursuit of their interests that can be achieved at the expense of the entire rules based system. It warned this will lead to serious disturbances of the existing accounting and counting regime.

The African Group expressed disappointment at the High-Level Ministerial Dialogue on increasing ambition under the KP. It said the Annex I Parties said everything they could say except to answer the mandate on increasing their ambition. Describing the exercise as a lost opportunity, it called upon the developed countries to demonstrate leadership and be responsive to science.

On markets and non-markets approaches, it wanted the outcome to ensure that it will contribute to the sustainable development and eradication of poverty in Africa. It also recognised the linkages of this agenda item with discussions under the Durban Platform on ambition and with the current discussions on the Clean Development Mechanism modalities and procedures that are currently under review. It recognised the progress that was achieved in Bonn where the Parties agreed in principle on information sharing based on best practices and experiences both within and outside the Convention. These will help Parties in understanding and formulating the framework(s) for various approaches, including markets and non-markets. Going forward, there is need to maintain balance between the discussions on markets and non-markets, considering the

different circumstances of developing and developed countries.

On the Nairobi Work Programme, the African Group welcomed the identification of the new activities to advance adaptation work in the areas of ecosystems, human settlements, health and water resources and we look forward to identifying new modalities to enhance the implementation of the Programme. It hoped that the involvement of regional centres and networks will facilitate the effective dissemination of information and knowledge at national and sub-national levels.

Nauru representing the Alliance of Small Island States (AOSIS) said given the costs of inaction that land Parties into a situation of loss and damage, the Executive Committee of the Warsaw international mechanism on loss and damage must ensure SIDS representation, a governing structure that include technological and financial facilities so that developing countries can take actions on the ground. To minimise loss and damage, robust accounting rules are needed under the Convention and the KP and enhanced ambition. On the methodological issues under the KP, AOSIS continued to be concerned that the rules designed to protect environmental integrity seemed to be under attack. Parties should work to protect the rules and not undermine it. It looked forward to deepening the linkage between the 2013-2015 Review and the Durban Platform process.

Nepal speaking for the Least Developed Countries (LDCs) thanked all the Parties involved in the agriculture negotiations for their successful conclusion. It believed that more should be done to combat the impacts of climate change and climate variability so that smallholder farmers can be less impacted. For the LDCs, food security should be the top priority for all and it looked forward to a fruitful outcome of the four up-coming in-session workshops on agriculture.

On the operationalisation of the Warsaw international mechanism for loss and damage, it reiterated that the mechanism must address the concrete needs of the LDCs.

On technology, it would like to adopt a decision in Lima, following up the conclusions here, to enable the integration of the Poznan strategic programme on technology into the Technology

Mechanism. This will enable effective responses to the technology needs of developing countries and avoid having two parallel programmes addressing the same activities. Furthermore, it looked forward to a decision that will encourage developed countries to provide adequate and consistent financial support in accordance with the provisions and principles of the Convention, to enable the implementation of the outcomes of the TNAs including the action plans. It further welcomed the conclusion on the joint report of the TEC and the CTCN. The report also touched on the need to address the barriers to technology and the need to converse with other institutions with the view to resolving the issues on the barriers to technology.

It said the LDCs were concerned about the lack of progress on the consideration of methodological guidance on non-market-based approaches for reducing emissions from deforestation and forest degradation (REDD+) activities. Many LDCs are unlikely to have access to market-based approaches due to a variety of reasons as it is the case with CDM. Furthermore, the LDCs were also concerned with the lack of progress in the consideration of methodological guidance for non-carbon benefits (NCBs). The LDCs believed that payments for NCBs are essential to achieving emission reductions. NCBs can play an important role on the sustainability of all REDD+ activities and will minimise the risk of reversal actions that can lead to further deforestation and forest degradation.

It reemphasised that the market mechanisms are supplementary to domestic actions under ambitious binding commitments. While welcoming the conclusions of the SBSTA on the three working programmes on the framework for various approaches, non-market-based approaches and new market-based mechanism, it reiterated the necessity for the continuation of our work in a balanced manner. It noted that the LDCs did not benefit from the existing mechanisms and reiterated the need to pay particular attention to the work under the work programme on non-market-based approaches which can help implement policies and measures with significant GHG emission reductions while meeting sustainable development objectives. The design of the future new market-based mechanisms must ensure environmental integrity and allow the participation of all.

On research and systematic information, it welcomed the provisions for information sharing on the lessons learned and best practices for knowledge and capacity building, but stressed the need to address the deficiencies and gaps in the research in the developing countries. It also welcomed the SBSTA conclusion to enhanced modalities and additional activities of the Nairobi Work Programme on impacts, vulnerability and adaptation to climate change. It expected that the new activities will serve to identify and address the knowledge gaps in climate change adaptation in developing countries, particularly in LDCs.

The **European Union** said it was pleased with the progress in the Structured Expert Dialogue (established to support the 2013-2015 Review) and reiterated that science is fundamental to this process and looked forward to the publication of the Synthesis Report of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) in October. It was also pleased to see further progress in agriculture. While the role of market mechanisms remained to be decided, it was happy with progress in a new market mechanism and non-market approaches and saw them as building blocks for Lima.

It welcomed progress in the Nairobi Work Programme, in particular the activities related to ecosystems, human settlements and health. It was disappointed that Parties could not make progress on the finalisation of the rule to implement the second commitment period of the KP which is essential for the accounting of CP2. It stressed that this must be finalised in Lima otherwise Parties would not be able to proceed to ratify the Doha Amendment.

Australia representing the Umbrella Group, as regards market mechanisms, said it looked forward to use Parties' submissions and the secretariat technical paper to continue constructive work in Lima. It welcomed the SED

work. It appreciated the spirit of compromise in the agriculture negotiation which enabled Parties to reach a landmark agreement. It also welcomed the new phase of work under the Nairobi Work Programme that is more focused and supports adaptation by the available scientific knowledge, good lessons learnt at national, regional and sub-national levels. On loss and damage, it said more work needs to be done.

During the civil society intervention, a **Climate Justice Now!** member lamented that the SBSTA failed to take up the necessary moratorium on new carbon offset markets and investigation and review of existing carbon markets. He said that there is no space left in a livable emissions budget for the use of offsets. Offset trading has been riddled with concerns over fraud, human rights abuses and recent studies by the Stockholm Environment Institute highlighted that emissions have not actually been reduced. The same is true in domestic schemes with the failure of the EU-Emissions Trading Scheme to reduce emissions at a huge cost to its citizens. As some Parties push for the framework for various approaches to be a centralised carbon trading platform – legitimizing and allowing schemes with weaker standards and flooding an already oversupplied market – he cautioned that the UNFCCC's legitimacy as place of climate solutions is at stake.

Working to make land-use emissions fungible with industrial emissions poses significant risks to the environmental integrity of this institution, as well as risks to food security, the rights of indigenous peoples, and biodiversity, said the civil society organization observer. He stressed that in Lima this body should agree on a moratorium on failed carbon trading mechanisms and take up real non-market solutions, such as the globally-funded feed-in-tariff scheme.