

Key conclusions at SBSTA 40

Bonn, 24 June (Hilary Chiew) – Several agenda items under the 40th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA) saw intense negotiations resulting in draft conclusions for most of the issues after many rounds of meetings in contact groups as well as “informal, informal” (closed to observer organisations) sessions from 4 to 14 June.

The contentious issues were the future of the forum and work programme on the impacts of implementation of response measures, the 2013-2015 Review, the development and transfer of technologies and the implementation of the Technology Mechanism, methodological issues under the Convention, and issues related to agriculture.

Forum and work programme on the impacts of implementation of response measures

The discussions on the status of the review of the work of the forum were mired in arguments from the start. Developed country Parties were of the opinion that the review was not concluded yet while developing country Parties were adamant that the review was completed, pointing out that submissions and different text proposals put on the table at COP 19 in Warsaw were a result of the review conducted at the 39th session of the Subsidiary Bodies there. (This item is a joint agenda item with the Subsidiary Body for Implementation; see TWN Bonn News Update No. 12.)

Unfinished business in Warsaw

At SBSTA 39 and SBI 39, Parties could not conclude their consideration of the review (hence the future of the forum) and Parties' proposals were submitted to the Conference of Parties for consideration on the last day of COP19. The Group of 77 and China, the

European Union and the United States submitted their respective proposals.

The **G77 and China** wanted continuation of the forum under the Subsidiary Bodies (SBs) to share, in an interactive manner, information, experiences, case studies, practices and views on how to meet the specific needs and concerns of developing country Parties in terms of social and economic consequences of response measures. It also called for the establishment of a mechanism under the COP to address the negative social and economic consequences of response measures taken by developed country Parties on developing country Parties and to recommend specific actions to avoid and minimise those consequences. The forum will report to the mechanism and the latter will make recommendations and report to the COP with a view to adopt decisions. Furthermore, the Group wanted the mechanism to meet for the first time in conjunction with SB 40 in Bonn in June 2014.

The **European Union** wanted the mandate of the forum to be extended with the sole task of reviewing in more detail the work of the forum, including the need for its continuation, with a view to providing recommendations to COP 21 (next year in Paris).

The **United States** merely wanted the establishment of a dialogue on the positive and negative impacts of the implementation of response measures, which shall be convened by the Chairs of the SBs, to implement the work programme and to provide a platform allowing Parties to learn from and engage with experts, practitioners and relevant organisations. It wanted the dialogue to meet for a single session, once a year, in conjunction with the intersessional meeting of the SBs, with its first meeting taking place at SB 40.

As there was no consensus, the COP requested the SBSTA and SBI to continue consideration of this sub-item at their 40th session with a view to providing recommendations to COP 20 (Lima in December) on the review of the work of the forum, including the need for its continuation.

Bonn discussion

The Group of 77 and China represented by Argentina had from the onset at SB 40 noted its regret over the lack of agreement in Warsaw but it looked 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 countries.

In the second contact group on 8 June, facilitator Eduardo Calvo (Peru) 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 decision for the COP in Lima.

At the third contact group on 10 June, the United States insisted that its text proposal was merely a draft decision text and not a conclusion of the review. It said a conclusion of the review would be based on the agreement of all Parties. It said while the forum which discussed a wide range of topics has been productive but a better structure can be found such as an annual dialogue in conjunction with the COP where topics will be narrowed down for better focus.

To this, China said it is against downgrading the forum to a dialogue as that is not the way to deal with negative impacts of response measures. Instead the work needs to be enhanced and meeting once a year is not enough.

G77-China and the EU asked for more time for the submissions as well as seeking further clarification from Calvo on his proposal particularly about the closure of the review. Calvo said his understanding was that it was never formally closed so we need to undergo a formal process which is the compilation of the views of different groups through the submissions for a formal closure. He said there is no perfect agreement on the views but just a reflection of different views. He gave Parties until the next afternoon (11 June) to make the two submissions.

The G77-China, the EU and the United States submitted their views on the review which was listed in Annex I but only the G77-China and the EU submitted their respective draft decision text with elements for COP 20 while it is unclear why the US repeated its submission pertaining to the review for this exercise.

In the contact group meeting on 11 June, version one of the draft conclusion proposed by the Chair was made available to Parties.

Argentina for the G77-China registered its disappointment and reminded the developed country Parties that the Group had engaged constructively and displayed flexibility. It asked what games are we playing here and that three contact groups were wasted with repeating the same discussion. It is very expensive for developing countries to be sitting here and going around in circle, said Argentina. It urged flexibility from the US and others that had spoken in support of the US who was dissatisfied with the language to deal with the ‘completion’ of the review.

Paragraph 2 of the draft conclusion reads: “*The SBSTA and the SBI noted that the review of the work of the forum on the impact of the implementation of response measures, pursuant to decision 8/CP.17, paragraph 5, is completed.*”

After much wrangling, the matter was resolved with New Zealand’s proposal that reworded the paragraph to read: “*The SBSTA and the SBI noted that a variety of submissions from Parties on the review of the work of the forum on the impact of the implementation of response measures, pursuant to decision 8/CP.17, paragraph, were received, and that the compilation of those submissions concluded the review.*” (The revised paragraph carries a similar footnote to the initial paragraph which informed that the compilation of views on the review is contained in Annex I to the draft conclusion.)

After an informal, informal on 12 June, the last contact group on 13 June finally reached agreement on draft conclusions that contained two major agreements in paragraphs 4 and 5.

Paragraph 4 reads: “*The SBSTA and the SBI invited Parties, experts, practitioners and relevant organisations to submit to the secretariat, by 22 September 2014, their views on options to strengthen opportunities for cooperation and collaboration among Parties related to this agenda sub-item, and requested the secretariat to prepare, subject to the availability of financial resources, a technical paper on areas of convergence related to areas of*

cooperation, as well as a synthesis paper, both based on the reports on the work of the forum, the submissions, presentations and statements made and the review of the work of the forum, for consideration at SBSTA41 and SBI41 (December 2014), without prejudice to the consideration by the Conference of the Parties (COP) referred to in paragraph 5 below.”

Paragraph 5 reads: *“The SBSTA and the SBI took note of the submissions made by Parties of proposals regarding a draft decision to take the work forward and agreed to forward them for consideration at SBSTA41 and SBI41, with a view to providing recommendations for consideration at COP20 (December 2014).”*

The 2013-2015 Review

At the first contact group on 7 June, Parties expressed different views on the number of sessions for the Structured Expert Dialogue (SED) including its conclusion and the further use of different sources of information to inform the Review (see TWN Bonn News Update No. 12).

(The SED was established by COP 18 to support the contact group in assisting the COP in conducting the 2013-2015 Review. The Review is to assess the adequacy of the long-term global goal and the progress made towards achieving it.)

Parties are also invited to capture the outcomes of the review to inform the work of the ADP as appropriate.

During the second contact group on 10 June, co-chair Leon Charles (Grenada) presented version one of the draft conclusion based on the discussion from the first contact group.

He said there are three options pertaining to a SED session to consider the information sources as expressed by Parties which are: a special session alongside the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) session in October, a session in conjunction with SBSTA and SBI 41 (December 2014) and a session in early 2015.

Parties were generally satisfied with the balanced draft text which they said is a good starting point for discussion.

AOSIS represented by Trinidad and Tobago, Botswana, China and Brazil preferred the option of having a SED session in October. Saudi Arabia and India wanted all three options while developed country Parties preferred the option of having the SED session in conjunction with

the 41st session of the SBSTA and SBI in December.

On this matter, Parties reached an agreement to convene an additional meeting of the SED after SBSTA 41 and SBI 41, in conjunction with a meeting of the ADP, and prior to the 42nd session of the SBSTA and SBI (June 2015), with a view to closing the SED prior to those SBs sessions.

At the start of the third contact group on 13 June, co-Chair Gertraude Wollansky (Austria) noted that version 2 of the draft conclusion (revised after two informal, informals held on 11 June) has one paragraph with brackets and wondered if Parties had found solution after meeting again in the morning (of 13 June).

She was referring to paragraph 10 of version 2 of the draft conclusion concerning reporting on the progress under the 2013-2015 Review at meetings of the ADP.

The draft paragraph reads: *“The SBSTA and the SBI invited the ADP to take note of the progress of the 2013-2015 Review, [SBSTA and SBI request][and to request][and requested] the co-chairs of the joint contact group in consultation with the co-facilitators of the SED to report on the progress under the 2013-2015 Review at meetings of the ADP, given the mandate of the ADP to be informed by the outcomes of the 2013-2015 review, consistent with decision 1/CP.17, paragraph 6.”*

(Decision 1/CP.17, paragraph 6 reads: *“Further decides that the process shall raise the level of ambition and shall be informed, inter alia, by the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, the outcomes of the 2013–2015 review and the work of the subsidiary bodies;...”*)

Saudi Arabia pointed out that Parties must adhere to COP decisions which are to report the outcome, not the progress and would not serve justice if the SBs report on progress that is not complete. It cautioned against bringing incomplete work to the delicate process of the ADP and urged for more time to work on this matter. It suggested removing the paragraph so as not to confuse the process with reporting on something that we are not comfortable with.

It stressed that as a Party it is not in a position to encourage the co-Chairs to report a work in progress but if they do, it would be on their own responsibility. Therefore, it also wanted the wordings ‘... consistent with decision 1/CP.17,

paragraph 6' to be deleted as we are not reporting according to the mandate.

India said its thoughts are in line with Saudi Arabia. It said all the other elements of the review should be completed before we can inform the ADP of the outcome. Informing on a piece meal basis will not help the delicate process in the ADP.

(Developing countries had pointed out that the 2013-2015 Review must not just talk about long term temperature goal, mitigation and adaptation without assessing the implementation of the commitments by Annex I Parties particularly in finance and technology development and transfer.)

China shared the concern of Saudi Arabia, noting that at this stage, we did not have in-depth discussion on what the outcome of the Review will be. It will be premature to invite the ADP to look at our work. We still have some information coming in next year.

Switzerland said it cannot go along with deleting the paragraph as it is in the interests of all of us that the SBs do inform on the progress of work in this area. It further said it is the first time it heard about holding back information.

Parties met again in informal, informal setting in the afternoon to resolve the matter.

At 6 pm, version 3 of the draft conclusion was issued with the following changes, now contained in paragraph 9 which reads: *"While noting that the work of the 2013–2015 review is still in progress, the SBSTA and the SBI also noted that the 2013–2015 review informs the broader UNFCCC process, through, inter alia, the material provided by experts, the summary reports on the meetings of the SED and the co-facilitators' reports to the COP. Mindful of decision 1/CP.17, paragraph 6, Parties are encouraged to continue to take note of the information from the 2013–2015 review as they engage in the ADP process."*

Parties reached a quick agreement on the third draft conclusion at the final contact group on 14 June scheduled between 10:30 am and 11am, which co-Chair Gertraude Wollansky (Austria) described the time used – 3 minutes and 43 seconds – a record.

The draft conclusion also contained three other critical aspects. They are:

Paragraph 6 – *"The SBSTA and the SBI requested the secretariat to prepare a note containing an indicative,*

descriptive identification of what information, as listed in decision 2/CP.17, paragraph 161(b), will be available for consideration by the SED and by when, and to make it available to Parties no later than 1 October 2014."

Paragraph 7 – *"Consistent with the objective to maintain the scientific integrity of the 2013–2015 review, as referred to in decision 1/CP.18, paragraph 85, the SBSTA and the SBI requested the co-facilitators of the SED to consult with recognized scientific experts, as needed, to identify potential additional inputs to the SED, taking into account decision 2/CP.17, paragraph 161(c) and (d), and decision 1/CP.18, paragraph 84."*

Paragraph 8 – *"The SBSTA and the SBI, consistent with decision 2/CP.17, paragraphs 164 and 166, and decision 1/CP.18, paragraph 86(b), invited Parties to submit to the secretariat, by 1 November 2014, their views on additional inputs to the SED, on how to conclude the 2013–2015 review and on the final reporting of the SBSTA and the SBI to the Conference of the Parties (COP) at its twenty-first session (November–December 2015), and requested the secretariat to make those submissions available on the UNFCCC website."*

The development and transfer of technologies and the implementation of the Technology Mechanism

Parties continued to consider the 2013 joint annual report of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN) in which no agreement could be reached in Warsaw last November over the issue of the TEC participation in meetings of the World Intellectual Property Organisation (WIPO) and the World Trade Organisation (WTO).

The first contact group met on 6 June and went into two informal consultations on 7 and 8 June respectively.

On 8 June, version two of a draft conclusion contained a paragraph that deals with the contentious matter that reads: *"1. bis The SBSTA and the SBI agreed to continue consideration, at their forty-first sessions (December 2014), of the participation of the TEC as an observer at meetings of organizations outside of the Convention which undertake work relating to enabling environments and barriers, including those issues referred to in document FCCC/SB/2012/2, paragraph 35, with a view to recommending an element of a draft decision on this matter for consideration and adoption at COP 20 (December 2014)."*

It is learnt that in the first week of negotiations, **the US** talked about the "metaphysical problem"

of discussing today what a UNFCCC body (referring to the TEC) is supposed to be doing last year, but which can no longer be done as having passed the time.

The Philippines spoke of an “element of deception” and “a collective amnesia” being foisted on everybody here in Bonn given that there was an agreement in Warsaw that discussion can resume afresh at SB 40.

The co-facilitators pointed out Rule 10(c) of the Rules of Procedure of the UNFCCC which indicates that a document that did not reach agreement in a session ceased to exist in the next session but Parties are free to table new texts. The G77-China then tabled the entire Warsaw text where all that were agreed were recalled. However, the move was resisted by the US.

In a series of ‘friends of the co-facilitators’ meetings that followed on 10 and 11 June, a compromised paragraph was presented subsequently to the last informal consultation on 12 June which reads: “*The SBSTA and the SBI invited the TEC to further strengthen the linkages with organizations inside and outside the Convention, as referred to in document FCCC/SB/2012/1, annex II, paragraph 3, which undertake work relating to enabling environments for and barriers to the development and transfer of technology, including those issues referred to in document FCCC/SB/2012/2, paragraph 35.*”

On 13 June, the draft conclusion was issued as document FCCC/SB/2014/L.1 containing the above paragraph and adopted by Parties at the closing plenary in the afternoon of 15 June.

Methodological issues under the Convention

On the agenda sub-item *common metrics to calculate the carbon dioxide equivalence of greenhouse gases*, Parties could not agree on the draft conclusion.

Paragraph 5 of version two of the draft text issued on 11 June was bracketed and reads: [*The SBSTA agreed to continue its consideration of common metrics at SBSTA 44 (May 2016).*]

At the SBSTA closing plenary on 15 June, two developing countries registered their concerns over the lack of interest on this issue.

Brazil regretted that SBSTA was not able to reach conclusion at this session considering that it is of utmost need to discuss the choice of common metrics. It pointed out that the IPCC (Intergovernmental Panel on Climate Change) in its conclusion in its Fifth Assessment Report

noted that the choice of a common metric will be dependent on the policy goal. Therefore, it said the policy choice has to be taken in SBSTA and it sees the need to inform the ADP as any commitment and goal, time horizon and approach will require the most appropriate matrix. It hoped for a draft conclusion on this matter in Lima.

Supporting Brazil, **India** said it was very disappointed to note that some Parties were not even ready for a discussion and the rationale for not wanting to discuss is also not made clear. It urged the Chair to use his good offices to ensure that a productive discussion can take place at the next SBSTA session so that we can have a decision. It said no Parties should shy away from the discussion.

Applying Rules 16 of the Rules of Procedure, the item will be taken up at the next session.

On another agenda sub-item – *methodologies for reporting financial information by Parties included in Annex I to the Convention* – Parties met in four contact group meetings but could not reach agreement on allowing all Parties to make submissions.

(The SBSTA could only agree to continue its consideration of this matter at SBSTA 41 with a view to recommending a draft decision to COP 20.)

New Zealand said as developed countries are the only ones with the experience of doing biennial reports, any call for submission should only be a call for Annex I to share their experiences in preparing biennial report.

Switzerland said the Standing Committee on Finance (SCF) which is more experienced (on financial matters of the UNFCCC) is working on the biennial assessment of climate finance flow and there must not be duplication of work at SBSTA.

Canada wanted a logical sequence and preferred to wait to see the outcome of the SCF work. Hence, it said the original timeline of the Durban decision (COP 17 in 2011) does not make sense any more as “things have evolved since and there is ongoing work to be considered”.

On concern about duplication, **Ecuador** pointed out that there is clear understanding that the SCF is not developing methodology for reporting financial information.

The Philippines said the challenge is to develop methodologies for a common reporting format as reporting has been spotty. Methodologies are needed to allow for comparability of effort to see, for example, new and additional finance.

In support, **Brazil, India and China** underscored the importance of the development of the methodologies and that call for submissions from all Parties as an important step forward.

The sub-item was introduced at the opening plenary of SBSTA on 4 June on the insistence of developing countries in relation to paragraph 19 of decision 2/CP.17 which reads: *“Also requests the Subsidiary Body for Scientific and Technological Advice to develop, taking into account existing international methodologies, and based on the experiences gained in preparing the first biennial reports, methodologies for reporting financial information with a view to recommending a decision on this matter to the Conference of the Parties at its twentieth session; ...”*

In the closing plenary, **Brazil** expressed concern over the lack of substantive progress. It reminded Parties that SBSTA was mandated by COP17 (referring to paragraph 19 of decision 2/CP.17) to develop methodologies for reporting financial information and to recommend decision for COP 20. As of now we remained far from fulfilling the mandate. It urged all Parties to engage actively and constructively for a positive conclusion in Lima.

China pointed out that in some of the biennial report of developed countries (due date was 1 January, 2014), there was either no explanation of ‘new and additional’ finance or their definitions differed.

It lamented that some Parties were unwilling to make progress as seen in their reluctance to have the sub-item included in the agenda at the start of SBSTA 40 and the establishment of a contact group to discuss the issue. It said the blocking of the issues continued in the ensuing discussions which resulted in the draft conclusion where SBSTA could not extend an invitation to Parties to make submissions.

It reminded Parties and observers present that the obligations under the Convention and decisions of COP must be performed and that the SCF work is not equivalent to the SBSTA work. It urged Parties to negotiate constructively in Lima to fulfil the mandate as soon as possible.

Issues related to agriculture*

SBSTA 40 negotiations on agriculture began with a contact group on 7 June, in which countries from **the G77-China** emphasised the need for discussions to focus on adaptation, as defined by the mandate from SBSTA 38: the state of scientific knowledge on how to enhance the adaptation of agriculture to climate change impacts, particularly in developing countries.

Several other countries from both developed and developing countries also recalled the usefulness of the workshop held in Warsaw, proposing that a number of areas listed in Paragraph 48 could guide future discussions (see TWN Bonn News Update No.12).

Sessions continued in closed informals during the week, in which the G77-China presented proposals for moving forward, that included specific activities such as workshops focused on issues relating to adaptation and the impacts of climate change on agriculture, as well as technology development and transfer, and capacity building.

Developed countries broadly welcomed the G77-China proposals, however **France, speaking for the EU** proposed additions to include all countries, with workshops that also included issues of mitigation and resource efficiency.

However, sources said that on 13 June, discussions on the co-Chairs' draft conclusions resulted in the EU walking out of negotiations over the lack of mitigation reflected in the text. Nevertheless, agreement was reached the next day on 14 June.

Key changes to the text include:

- SBSTA would undertake scientific and technical work "taking into account" (but not necessarily limited to) the conclusions of SBSTA38;
- the requirement to take into account "adaptation co-benefits" became just "co-benefits";
- language on different agro-ecological zones and farming systems, grasslands and cropland practices and systems was also included.

Views are to be submitted on the agreed areas. Two workshops will be held at SBSTA 42, with reports for consideration at SBSTA 43, and the

second 2 workshops will be held during SBSTA 44, with reports for consideration at SBSTA 45.

Parties recognised and appreciated the spirit of compromise that enabled an agreement to be reached

(*With inputs from Teresa Anderson.)