

SBI starts work, debates finance, technology, national communications etc.

Cancun, Dec 1 (Hilary Chiew) - The 33rd session of the Subsidiary Body for Implementation (SBI) of the United Nations Framework Convention opened on November 30 with developing countries calling for more financial and technical support from developed countries to assist them in improving their abilities to mitigate and adapt to effects of climate change

Developing countries expressed much discontent over the ineffectiveness of the Global Environmental Facility (GEF) in disbursing funds and said that the GEF requirement for co-financing was punishing the poorest developing countries.

The G77 and China also said that analysis of the greenhouse gas (GHG) inventories of developed countries showed unequivocal evidence of an increase in GHG emissions by Annex 1 Parties that are not Parties with economies in transition.

Several African countries also stressed the need to address the issue of intellectual property rights as this posed a barrier to technology transfer.

The SBI discussed 13 items concerning matters of implementation of the Convention, which included the fourth review of the financial mechanism (which relates to the GEF), development and transfer of technologies, national communications, issues relating to LDCs and participation of observer organisations.

Speaking on behalf of the Group of 77 and China, Yemen at the opening plenary, said as Parties deliberate on the future of the financial architecture of the Convention (under the Ad-hoc Working Group on Long-term Cooperative Action, AWG-LCA), there was a lack of inflow of capital to the existing funds which are the Special

Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), bearing in mind that these funds are under-funded to begin with.

The G77 and China called for more contributions to these funds from developed countries, in particular for the LDCF, to assist developing countries to deal with the adverse impacts of climate change. It called on developed countries to show flexibility and commitment towards the adaptation needs of the developing countries, especially LDCs and SIDs (Small Island Development States), and to treat adaptation in an equal manner as mitigation.

The Group said that although Parties could not come to a clear outcome on the review of the Adaptation Fund (set up under the Kyoto Protocol) during the last session as envisaged, the Group will continue to constructively engage in this session to build on the steps that have already been undertaken so far with an aim of providing direct access of funds to developing countries.

It emphasised that developing countries faced difficulties in terms of technical and financial support to enable them to prepare their national communications. Predictability of funding and the provision of the agreed full costs for the preparation of NCs from Annex I Parties are crucial, it said.

The Group said that combating climate change would require scaling up of development and transfer of technology for adaptation and mitigation by the developed countries. It was important that this support should be funded by public resources of developed countries and that

synergies with the private sector would be complementary.

On the national communications and GHG inventory data from Annex 1 Parties, the G77 and China said that it found, in a chronological analysis of reported inventories of GHG in the countries, repeated and progressive technical reports, tables and figures that show unequivocal evidence of an increase GHG emissions of Annex I Parties which are not Parties with economies in transition.

It said that the SBI, in accordance with Article 10.1 and 10.2 of the Convention, has a mandate to complete the assessment and review of the effective implementation of the Convention. The Group expects that in the 33rd session of the SBI, a report will be developed with an aim of ensuring compliance of commitments to reducing greenhouse gas (GHG) emissions by developed countries.

It also urged Annex I Parties to reveal or make available in their NCs the level of improvement, or lack of, emission reductions.

Grenada, speaking for the Alliance of Small Island States (AOSIS) said although there has been improvement in access to funding under the financial mechanism, many of its members still had problems with the implementing agencies. Hence, it welcomed the plethora of new reforms within the Global Environment Facility (GEF) and hoped that all are implemented as soon as possible.

It said its members are currently reviewing the report of the Consultative Group of Experts (CGE) (on NC from developing countries) with the aim of making concrete recommendations for improving the work programme of the CGE over the next two years. It said that the CGE has provided critical support in the past in the preparation of NCs and anticipated the same for the third and subsequent NCs.

Completing the review of the amended New Delhi work programme at this session was critical to AOSIS, given the importance of education, training and public awareness in helping us to adapt to the adverse impacts of climate change.

Lesotho speaking for the LDCs said existing methods and procedures for accessing the LDCF need revamping despite some improvement. The time it takes for processing National Adaptation

Programmes of Action (NAPA) projects for implementation needs a closer look, including by streamlining or removal of some steps in the process.

The LDCs looked forward to continuing financial and technical support, especially more contributions to the LDCF and engagement of even wider organisations in supporting the implementation of the LDC work programme. However, it believed that the concept of co-financing is inappropriate for NAPAs and should be removed. It called for the operationalisation of the Adaptation Fund and sought, as a matter of urgency, to enable it to access the funds including identification and strengthening of the National Implementing Entities.

It said it expects the current session of the SBI to approve and recommend to the Conference of Parties (COP), the extension and expansion of the mandate of the LEG (LDCs Expert Group). It said LDCs greatly appreciate the work of the LEG in supporting preparation, and now, the implementation of NAPAs. A total of 45 NAPA documents were completed and a good number of LDCs are now in the process of implementing their first NAPA project under the LDCF.

The LDCs believe that the NAPA process, the LDCF coupled with the LEG is the best practice in implementing programmes. Therefore, the extended mandate remains a matter of highest priority for the LDCs.

Conclusion of the agenda item (of the SBI session) on the review of the financial mechanism of the Convention, technology and capacity building should allow for LDC full implementation of NAPAs, full implementation of the LDC work programme including its systematic review to accommodate lessons learned and new challenges.

It said it would like to see promotion of regional technical support programme that include the LEG to support adaptation programmes in LDCs.

Speaking on behalf of the African Group, the Democratic Republic of Congo said across the board the scale of fund for developing countries is insufficient. The current estimate of funding required for 53 NAPAs is US\$2bil, which is considerably larger than the allocated US\$200mil.

It reiterated concern that the time taken from project conception and delivery of fund is too

long and a reform of GEF to address urgent issues of the continent is crucial. It also said it has been an on-going concern of the lack of commitment of developed countries to support developing countries in the implementation of adaptation actions despite the emphasis that adaptation is a priority. It also said that it was worried that the GHG inventories submitted by Annex 1 countries still indicates an aggregate increase in GHG emissions since 2003. In addition, most countries are lagging behind in submitting their emission inventories.

Belgium, speaking for the European Union, said with regard to the financial mechanism, it welcomed the conclusion of the negotiations for the 5th replenishment of the GEF earlier this year, where climate change has now become the biggest activity area.

It looked forward to conclude the 4th review of the financial mechanism, the assessment of the LDCF and of the SCCF, as well as to provide focused additional guidance, in order to improve the effectiveness and efficiency of the GEF.

The EU believed that the LDCs should be further supported in their efforts to address climate change. Therefore, the LEG mandate should be renewed and Parties should find the appropriate measures to speed up the delivery of the LDCF.

On development and transfer of technologies, the EU will focus on issues relevant for the discussions under the AWG-LCA. On capacity building, the EU reaffirmed its will to maintain the current capacity building framework as the guiding structure for capacity building activities and was looking forward to the completion of its second comprehensive review.

Review of the financial mechanism

The Philippines speaking for the G77 and China questioned the effectiveness of GEF and other UN agencies in financing climate change activities. Citing the example of the Philippines, it said the GEF report itself showed that it only played a minor role for the country compared to bilateral and multilateral donors. It finds this a matter of concern that it is unable to get financing through the UNFCCC's only financial operating entity.

It said that due to the co-financing requirement, statistics showed that it was developing countries

who were subsidising the GEF, as Parties have to raise three times the amount requested in order to be able to access the GEF money. On top of that, there are administration costs, exchange rate costs and 'corporate activities', which take money out of the project.

The requirement for co-financing would be punishing the poorest of the poor, said Philippines. Therefore, the criteria for predictability of financing needs to be reviewed to allow for full implementation of the Convention

Algeria said while Africa benefitted from greater interests in recent years from GEF funding, there was need to highlight the obstacles and deficiency in the funding cycles. GEF needs greater reform to simplify its procedures and conditionalities.

Democratic Republic of Congo said there was a significant gap between promises of funding and funding needed. It urged developed countries to commit to financing activities at the level of 1.5% of their GDP. It also noted that there was a great inequity among countries and regions in the allocation of funds and this must be dealt with so as to make necessary corrections in the next cycle of replenishment of the GEF.

In the specific debate on the LDCF, **Lesotho speaking on behalf of the LDCs** expressed its concern on some of the elements of the GEF report. It said that the LDCs were concerned on the unpredictability of the funds in the LDCF, which has led to the delays in the full implementation of the NAPAs and the rest of the work programme in a timely manner.

With delays, the NAPAs are no longer 'urgent and immediate needs', hence, requiring the need to review or revise the NAPAs, which implies additional costs and delays in this process. It urged other donors to contribute to the LDCF for the full implementation of the LDC work programme.

Bhutan said it was among the first LDCs to start implementing its NAPA with a project to reduce the threat of rapidly melting glaciers and the phenomena called Glacial Lake Outburst Floods. It reminded parties that the mandate of the LDCF is not just about NAPA but there are six elements in the work programme: strengthening or establishing national climate change secretariat and focal point; training of an on-going basis on negotiating skills and languages; preparation and implementation of NAPAs, promoting public

awareness and dissemination of awareness of climate change; development and transfer of technology, particularly for adaptation and strengthening the capacity of meteorological and hydrological services.

Thus, it said, the full implementation of the LDC work programme is essential to ensure effective and efficient use of the limited resources to reduce the vulnerability of the LDCs. The full work programme is needed to be implemented through the LDCF to reduce barriers that delay the timely preparation and implementation of the NAPAs as originally envisioned at COP7.

National Communications

Brazil, speaking for the G77 and China said any further implementation of Article 12.5 of the Convention (which relates to the submission of NCs) must take into account the principle of common but differentiated responsibilities. NCs should not be more onerous to Non-Annex I Parties than to Annex I Parties. It also pointed out that Article 12.5 is not only related to periodicity or frequency of the submission of NCs but is also related to finance which is crucial. In discussions on any additional obligations related to NCs from Non-Annex I Parties, there is need to make sure that not only financial resources are provided in a timely manner and significantly scaled up, but also technical support, under the Convention, is provided in a sustainable manner.

It said the Group has constantly reiterated that one of the main difficulties that developing countries face in this regard is the access to funding through the GEF, which is an operating entity of the financial mechanism of the Convention.

For instance, the determination by the GEF of a fixed amount of money under the expedited procedure regardless of whether countries are big or small actually denies the right of developing countries to 'agreed full costs' and indicates that GEF has not been able to deal with different national realities of countries.

The Group has constantly reiterated that the best way to make progress on the matter of provision of financial and technical support as a whole, is to ensure timely disbursement of funds to meet the agreed full costs incurred by developing country Parties. The financial support that is currently available is certainly insufficient and the

procedures in having access to them are inadequate.

Technology transfer

During the discussions on development and transfer of technologies, the European Union said it was looking for quick progress on this matter under the AWG-LCA and is in favour of convening discussions at the joint consultation group between the SBI and the Subsidiary Body for Scientific and Technological Advice.

The Democratic Republic of Congo said intellectual property rights (IPRs) were a hindrance when it comes to implementation of pilot projects.

Echoing similar frustration, **Zambia** said in most developing countries especially those in Africa, access to technology remains a challenge. Access to technology has hampered progress in terms of implementing adaptation and mitigation efforts. It called upon developed countries to remove barriers that had hinder the transfer of technology. IPRs have been a huge barrier making technologies too costly for poor countries that need the technology. Technology development and transfer under the Convention should be developed by the public sector and not left to the private sector who are not Parties to the Convention, it said.

Nigeria said that the IPR issue has been a taboo subject since the beginning of the Convention and hoped that Parties have reached the moment of being realistic and transparent as technology transfer is a key area of the Convention that needs to be implemented.

Speaking for the environmental movement constituency, the Climate Justice Network said environmentally-sound and socially-just technologies that integrate and respect traditional knowledge and livelihoods of local communities and indigenous peoples' are part of the solution to climate crisis and need to be supported.

But often, technology transfer seems to be a way for big companies to expand their markets and patent monopolies. An agreement on technology that is not precautionary will result in the release of untested and high-risk technologies such as carbon capture and storage, bio-char, industrial plantations and other forms of so-called 'bio-energy'. It warned that multinational companies

are stockpiling patents on ‘climate-ready crops’, undermining the ability of farmers to adapt to climate change by making them dependent on patented seeds. Increasing industrial agriculture and the corporate grab on biomass, will increase, not decrease, GHG emissions, it said.

Matters relating to LDCs

Bangladesh for the G77 and China, said it would like to see an extension and expansion of the mandate of the Least Developed Countries Expert Group (LEG). It said that 45 countries had submitted NAPAs and guidance is required from the LEG. It said that some NAPAs were formulated in 2004 and were outdated, as those urgent needs had become more urgent due to ground reality of LDCs in different continents. This proposal was supported by many LDCs like Malawi, Liberia, Nepal, Timor Leste, Bhutan and Togo.

Participation of observers

On further participation of observer organisation, **Mexico representing the Environmental**

Integrity Group said over the years observer groups had made significant contribution but participation is limited and does not truly reflect the value of their contribution. It fully supported the establishment of a platform for more intensive dialogue and will be tabling two draft proposals for discussion.

Nigeria cautioned that the UNFCCC is an inter-governmental process and the role of observer organisations should be limited.

The International Indigenous Peoples’ Forum on Climate Change said it had made four applications to the UNFCCC secretariat for greater participation in the climate negotiation process but were all rejected.

It presented four proposals which would enhance the indigenous communities voices through the creation of an Indigenous Peoples’ Advisory Group to report directly to the COP and provide consistent recommendations in the discussions, dialogues and drafting at this and future COPs and intercessional meetings.