

Parties present views at the SBSTA and SBI opening plenary

Lima, 2 Dec (Hilary Chiew) – The 41st sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA 41) and the Subsidiary Body for Implementation (SBI 41) opened on 1 December as Parties to the United Nations Framework Convention on Climate Change (UNFCCC) began their annual talks.

The two subsidiary bodies (SBs) immediately launched their respective work in contact groups and informal consultations on various agenda items. SBSTA is scheduled to conclude its work by 6 December while SBI will hold the first part of its closing on 5 December by adopting conclusions. SBI will then convene its multilateral assessment working group session on 6 and 8 December to be followed by the final part of its closing upon conclusion of the working group session on the 8th.

A major agenda of SBI 41 is the first round of the multilateral assessment (MA) process which is part of the International Assessment and Review (IAR) established under the SBI for developed country Parties which aims to promote the comparability of efforts among all developed countries with regards to their quantified economy-wide emission limitation and reduction targets. Seventeen countries will be assessed in this round that includes the European Union and the United States.

The work of the SBs will also feature several joint agenda items such as the 4th meeting of the Structured Expert Dialogue in two parts under the 2013-2015 Review, the continued deliberation on the forum on the impacts of the implementation of response measures by developed countries on developing countries, the Warsaw International Mechanism on Loss and Damage, Report of the Adaptation Committee, and the joint annual 2014 report of the

Technology Executive Committee and the Climate Technology Centre and Network.

SBSTA opening

Chair Emmanuel Dumisani Dlamini (Swaziland) presided over the meeting.

As the agenda item on bunker fuel emission from fuel used for international aviation and maritime transport will not be deliberated at this session, the Chair allowed the intervention of several Parties at the plenary.

Argentina representing the African Group, Brazil, China, Cuba, Ecuador, El Salvador, India, Malaysia, Nicaragua, Uruguay, Saudi Arabia, Venezuela, Bolivia and Oman outlined several elements for consideration of the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO) in their work in addressing climate change.

The elements are:

- Full respect to the principles and provisions of the Convention and of its Kyoto Protocol, in particular the principles of common but differentiated responsibilities, as well as that measures should not constitute disguised restrictions on international trade;
- Comprehensive assessment of the possible (direct and indirect) social, economic, technical and environmental implications of the measures under discussion for developing countries, taking into account that international aviation and maritime transport play a vital role in the facilitation of world trade, and therefore on social and economic development in developing countries;
- Respect to the consensus rule, and to the promotion of an inclusive and transparent process and a multilateral approach consistent

with the principles and provisions of the UNFCCC, in opposition to unilateral measures;

- Promotion of transfer of financial resources and technologies from developed countries to developing countries, in accordance with the developed countries obligations under the Convention.

In relation to the specific work of the IMO, the group of countries reaffirmed the importance of the progress made in the IMO's 65th Session of the Marine Environment Protection Committee of May 2013 with the recognition of the UNFCCC principles, in particular the principle of common but differentiated responsibilities, in the Resolution on *Promotion of Technical Cooperation and Transfer of Technology relating to the Improvement of Energy Efficiency of Ships* of the IMO Marine Environment Protection Committee. Such recognition from the IMO sends a clear signal that the Organization respects the principles and provisions of the UNFCCC in its work related to climate change.

The group welcomed the IMO resolution which established the Ad Hoc Expert Working Group on Facilitation of Transfer of Technology for Ships (AHEWG-TT), which is an important first step towards the transfer of technologies from developed to developing countries, in accordance with multilaterally agreed rules. They called on all countries to engage in the activities the Ad Hoc Working Group.

Argentina acknowledged the approval of the Third IMO GHG Study 2014, which highlights, in reference to the average of the period from 2007 to 2012, that "international shipping accounts for approximately 2.6% and 2.4% of CO₂ and GHGs on a CO₂e basis, respectively" while in 2012 it only accounted for 2.2 % of global emissions. This shows that international maritime transport is only a modest contributor to climate change, while it is fundamental for trade and economic and social development.

With respect to the ICAO report and communication, and in relation to the work of the Environmental Advisory Group (EAG), it recalled the mandate coming from Resolution A38-18, in the sense that ICAO State Members should work on the technical aspects, environmental and economic impacts and modalities of the different possible options for a global market-based measure for international aviation, including its feasibility and

practicability. It noted the recent presentation in the EAG of some alternative proposals to the "strawman" document by different ICAO Members, proposals that should be analyzed, studied and elaborated by the ICAO, in particular in terms of how they take into account the special circumstances of developing States and address all of the concerns presented by Parties before taking further steps forward, following Resolution A38-18. In this sense, the work in the ICAO should remain Party-driven, transparent and inclusive.

[The strawman document is the report of the Meteorological Aeronautical Requirements and Information Exchange Project Team (MARIE-PT-Action Report No. 2A dated 20 March 2012). This paper presents a "strawman", in other words a proposal, outline or framework, for functional requirements for meteorological information to support ICAO's global concept of air traffic management and performance-based navigation.]

The group of countries also highlighted the importance of the recognition in the Resolution A38-18 that market-based measures should be implemented only after bilateral and/or multilateral agreement and on the basis of mutual consent. They called on countries to respect ICAO decisions and not resort to unilateral action. They also noted the acknowledgement in the ICAO resolution of the principle of common but differentiated responsibilities in any possible design of market-based measures. The ICAO discussions should not prejudice or duplicate neither possible results of the UNFCCC work or its principles and provisions.

With regards to ICAO's work regarding States' action plans, in the case of developing countries, these plans must be understood as voluntary actions that take into account the specific national contexts, and not as part of a global goal in the international aviation transport. In this context, there is a need to ensure the transfer of financial resources, technology transfer and capacity building support to developing countries for them to be able to voluntarily undertake specific action plans, said Argentina.

It also reiterated deep concern at the proposals for the use of international aviation and maritime transport as a potential source for the mobilization of revenue for climate finance, echoing the views included in the Resolution

A38-18 and in the submissions made by ICAO that international aviation should not be disproportionately targeted as a source of revenue.

It requested for the group's statement to be included in the records of this session and expressed trust that the ICAO and IMO will take these matters into consideration in their work and in their reports and communications in future SBSTA sessions.

China expressed its concern over the research of global market-based mechanism conducted by the ICAO which will be detrimental to developing countries with fast growth after 2020. It urged both ICAO and IMO to further implement the principle of CBDR in their respective work.

Singapore commended the IMO and ICAO on their progress in tackling emissions and believed that these agencies demonstrated strong leadership and thus can lead (climate change) efforts in their sector.

Japan maintained that it is improper to apply CBDR to the work of ICAO and IMO due to the complexities. It said that issues related to international aviation and maritime transport should be dealt with by ICAO and IMO as specialised UN agencies and that member states in these agencies are already taking concrete steps.

Due to time constraints, presentation of views by Parties was limited to several groupings as below:

Bolivia speaking for the Group of 77 and China (G77-China) stressed that it is paramount to operationalise the Warsaw International Mechanism on Loss and Damage to address the need of developing countries suffering from extreme weather and slow onset events. It wanted to see the finalisation of the executive committee and the necessary arrangement including the link to the financial mechanism and the approval of the two-year work plan.

It also wanted Parties to commit to actions to address the impacts arising from the implementation of response measures. It reaffirmed the Group's submission (made during SBs 40 in June 2014) for the continuation of the forum and the establishment of a mechanism to minimise the negative consequences of the implementation of response measures by

developed countries on developing countries, in particular, to address the policy issue concerns such as unilateral measures. It believed its proposal has key substantive elements towards progress and trust Parties to engage constructively.

On the Warsaw Framework for REDD-plus (Reducing Emission for Deforestation and Forest Degradation plus three other activities) that sought to obtain and receive results-based payment for results-based actions expressed in tonnes of carbon dioxide, Parties should also recognised the alternative policy approaches such as the joint mitigation and adaptation for forest in the context of sustainable development and should be supported by finance, technology and capacity building as provided under the Convention.

On development and transfer of technologies and implementation of the Technology Mechanism, the Group believed that the full implementation of the Technology Mechanism is crucial by ensuring the coordination of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN), the two bodies under the mechanism. It emphasised the necessity for the TEC to structure its work plan in short and medium terms and that it needs to address barriers to technology transfer under the thematic dialogue.

The G77-China looked forward to the continued constructive engagement in discussion related to the framework for various approaches, new market mechanism and non-market based approaches in a balanced manner, noting the importance of the matter for the 2015 agreement.

It further said Parties should not use technical excuses to refrain from setting the date for completion of the multilateral assessment in time that would facilitate the process of ratification of the Doha Amendment (to the Kyoto Protocol) and to delay an important and politically-sensitive issue that is paramount to trust-building.

Representing the African Group, Sudan said in light of the findings of the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) which confirmed that warming of the climate system is unequivocal, the need for high mitigation ambition cannot be overemphasised.

It welcomed the joint annual report of the TEC and CTCN, noting that of particular importance is the matter of climate finance and technologies for adaptation, the need to address barriers to technologies transfer and the collaboration with other institutions on this matter. It looked forward to a decision here in Lima.

On REDD-plus, it said the Group will continue to engage in discussion on additional guidance for safeguards but noted that the diverse circumstances of Parties must be recognised, adding that additional guidance on safeguards would require more information gathering where current guidance is already sufficient. It believed that there are some interesting elements on the issues of non-carbon benefits and the joint mitigation and adaptation approach, and it looked forward to discuss them here in Lima.

The African Group supported strengthening of the work of the Adaptation Committee and looked forward to decisions that could give further guidance to the Committee.

It appreciated the work of the Structured Expert Dialogue and wished that SBSTA would build on the conclusion of discussion on the IPCC report.

On the forum on the impacts of the implementation of response measures, the Group said the review of the work of the forum completed in the June session (SBs 40) showed that there are still needs for concrete arrangement to strengthen and enhance areas for collaboration and cooperation. It looked forward to engage with partners further with the view to adopt a decision in Lima on this matter.

Regarding the framework for various approaches, new market-based mechanisms and non-market-based approaches, it said it is important to consider their relationship with the 2015 agreement, including amendment of the Kyoto Protocol. It hoped to make progress in a balanced manner.

Speaking for the Least Developed Countries, Nepal thanked the Chair for his information note which highlighted the significant findings of the AR5 of the IPCC which clearly states that if deep cuts in greenhouse gas emissions are not made, there will be severe, pervasive and irreversible impacts on people and ecosystems. It is the poorest and most vulnerable countries, such as the LDCs, that will suffer the most from these impacts.

It said the information note identified the issues that the Co-Chairs believe are of particular importance to the SBSTA, which are those prerequisite to the successful implementation of the Kyoto Protocol's second commitment period (Sub-items 10a, 11a and 11b).

The LDCs believed that implementing the second commitment period of the Kyoto Protocol as soon possible is crucial to help close the mitigation gap and prevent the impacts spelled out by the IPCC. Of the 19 nations that have ratified the Doha Amendment thus far, 4 of them are LDCs.

Nepal said that several other members of the Group are working to add their names to those of Bangladesh, Djibouti, Solomon Islands and Sudan and hoped that the successful ratification of the Doha Amendment will be completed as soon as possible.

Regarding the Nairobi work programme, it said the LDC Group has very clearly put forward its views in the past. Our countries have not seen substantial impacts of this work programme at field level. We believe that the Nairobi work programme should regularly produce a list of concrete implementable activities and forward it to the SBI for its effective implementation through the Adaptation Committee.

On REDD-plus, it hoped that Parties continue to progress and address the remaining REDD-plus issues for full implementation. The Group is keen to see progress in the areas of methodological guidelines for both non-market approaches and non-carbon benefits related to REDD-plus activities.

It acknowledged the work conducted by the TEC and the CTCN, in particular the incubator programme developed for the LDCs. Many parties have undertaken their Technology Needs Assessment and identified and prioritized activities including the formulation of Technology Action Plans. For those that have not done so, support may be needed to accelerate the process.

Regarding the 2013-2015 Review, it acknowledged the work done since the establishment of the Structured Expert Dialogue (SED) and hoped that it will deliver concrete outcomes to inform the work of the ADP. It is critical that the SED is directed towards finding the pathways that will lead to a below 1.5 degree Celsius temperature limit relative to pre-

industrial levels. It also wanted further consideration to be given to the means of implementation in the review process.

On the Warsaw International Mechanism on Loss and Damage, it hoped that

the two-year work plan will address actions and support, including finance, technology and capacity-building as mandated by the COP, in order to enable the Warsaw International Mechanism to be fully operationalised at all levels. These levels include support for rehabilitation, risk transfer and human displacement and other losses and damage caused by the impacts of climate change such as permanent economic and non-economic issues, recognizing that loss and damage is beyond adaptation. It also wanted the two-year work plan to address loss and damage issues at the national level, such as institutional establishments to facilitate research and data management.

The Group believed that issues related to economic instruments – market-based mechanisms, non-market-based approaches and framework for various approaches – are fundamental and need careful considerations and balanced outputs. It said Parties should consider the potential

relationship of these instruments with the 2015 agreement and previous decisions, including amendments to the Kyoto Protocol flexible mechanisms.

The European Union wanted the methodological issues under the Convention and the Kyoto Protocol to be finalised in Lima for timely reporting to the COP.

On market and non-market mechanisms, it expected the international use of these mechanisms will be provided for in the 2015 Agreement and it must be subjected to robust accounting and agreed rules to ensure integrity of commitment, and double-counting is avoided. On loss and damage, it expected the work plan to be finalised so that the work can start without further delay on this important matter with the urgency it deserves.

Australia representing the Umbrella Group said it looked forward to a productive session. On loss and damage, it said Parties must finalise the composition of the executive committee; and on market mechanisms, it said the good progress

should be built on and a clear work plan to be produced for consideration of the COP.

SBI opening

Chair Amena Yauvoli (Fiji) in opening the 41st session (SBI 41) on 1 December afternoon noted that it would be a busy session and urged Parties to focus on finding consensus in an efficient manner with the limited amount of time. He said it is necessary to streamline discussions as we need results on critical issues.

He also informed Parties that the sub-agenda item on *Information contained in national communications from Parties not included in Annex I to the Convention* will be held in abeyance until SBI 42. At SBI 40, there was no consensus to include this item on the agenda and it was held in abeyance. On a proposal by the Chair, the SBI decided to include this item for SBI 41.

For the first multilateral assessment, he reaffirmed that there would be no conclusion at this session as reflected in the agenda and the working group session will continue next year. He said on 6 December, the multilateral assessment will feature the European Union, Austria, Croatia, Cyprus, Denmark, Finland, France, Italy and Latvia while on 8 December it will be Luxemburg, Netherland, New Zealand, Portugal, Spain, Sweden, Switzerland and the United States.

Speaking for the G77-China, Bolivia reiterated the importance of setting the date for the completion of the multilateral assessment that entails understanding of the difficulties of the review process and technical excuses should not be allowed to delay this politically-sensitive issue that is paramount to trust-building.

It said the current pace of effort of the work of the LDCs Expert Group and the Adaptation Committee need to be improved in relation to adaptation. There should be coherence between the National Adaptation Plans (NAPs) in developing countries and the support of the financial mechanism, noting that countries that had formulated NAPs need funding for adaptation and high priority should be given to technical support including for the development of NAPs in non-LDCs developing countries. It looked forward to further engagement in this session to take stock of the initial guidelines for the formulation of NAPs. It also lamented the lack of sustainability, predictability and adequacy in relation to the Adaptation Fund.

It also said capacity-building is important to the Group and that activities across different issues need an institutional arrangement to implement them.

On the multilateral assessment, it believed it is crucial to the full implementation of the Bali Action Plan and build confidence towards Paris.

(For G77-China's views on joint agenda items of the SBs, please refer to the report on the SBSTA opening above.)

Sudan representing the African Group said it remained concerned with the absence of concrete activities related to means of implementation and it believed that the overall governance issue of the executive committee of the Warsaw Mechanism on Loss and Damage should be finalised here in Lima. It said the composition should recognise the need of developing countries with diverse needs.

The Group called for the process to assess finance and technology support for NAPs to be simplified. While appreciating the work undertaken by the Green Climate Fund and the current pledges, it noted that there is lack of clarity on how the implementation of NAPs will be supported and called for clear guidance on the matter in this session. It also lamented that the LDC Fund has not received fresh funding.

On the forum on the impacts of the implementation of response measures, it said the review of the work of the forum has noted the gaps and the Group is ready to engage and looks forward to a decision that defines the concrete way forward.

Nepal speaking for the LDCs expects a decision to enable the full implementation of all elements of the LDC work programme. It urged Parties to replenish the LDC Fund to support the implementation of the National Adaptation Programmes of Action (NAPA) and the formulation of NAPs in a timely manner in the LDCs.

It is encouraged with the recent pledges contributing to the initial resource mobilisation process of the GCF but noted that it is only an initial step towards the minimum of US\$100 billion per year by 2020 that is required to address climate change in developing countries. It is concerned that there is still a lot of uncertainty on how and when the Fund can be accessed.

Stressing that the issue of loss and damage is of very high importance for the LDCs, it acknowledged the two-year work plan and appreciated the work of the interim Executive Committee (ExCom). It noted that the draft work plan prepared by the interim ExCom will be discussed among Parties before its approval according to the mandate of the Warsaw COP decision. On the composition and modalities of the ExCom, it believed that the committee should be formed in a way that ensures the voices and needs of the most vulnerable countries and particularly the LDCs are properly addressed.

Highlighting the depleting resources of the Adaptation Fund, Nepal drew Parties' attention to the Group's submission on establishing linkages and innovative source of funding to guarantee sustainable, predictable and adequate financial resources and looked forward to discussions and responses from partners on the proposals.

It wanted to advance on matters related to capacity-building where the main obstacles are the lack of adequate resources, permanent institutional arrangement for effective implementation and monitoring of all the activities on capacity-building.

It said it is necessary to make further progress on gender equality in this session where it looked forward for a decision to confirm a framework for implementing gender-sensitive climate policy, including a two-year work programme on gender and climate change.

Speaking for the Alliance of Small Island States (AOSIS), Nauru drew attention to the IPCC's AR5 report and stressed that it leaves little doubt that small island developing states (SIDS) face numerous life altering and even life threatening impacts. Simply put, it said the Group cannot survive, let alone grow and prosper, without food, water or land.

The Group remains deeply concerned about the status of resources of the Adaptation Fund which provides support for concrete adaptation projects, prioritise the most vulnerable and has pioneered the direct access procedures. In Lima, it said Parties need to ensure the continuity of the operations of the AF by answering the call of the Board to provide US\$80 million in the short term, adding that Parties also need to use the second review of the Fund to explore longer-

term solutions for sustainable resources to make Lima a success.

Nauru said the Durban Forum on capacity-building would be more useful to developing country Parties if it provided a means for finding solutions for some of the problems that many countries still face in trying to identify and build capacities for addressing climate change.

On loss and damage, it expressed disappointment that AOSIS was not represented on the interim ExCom. It therefore, insisted that there be a permanent SIDS seats on the ExCom on the Warsaw International Mechanism and it looked for a decision on this matter at COP 20. It is also dissatisfied with the draft two-year work plan and requested the SBI to put aside adequate time for the discussion of this matter and the negotiation on the composition and procedure of the ExCom.

It said the 2013-2015 Review is a priority and that it 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. It is of the view that the Structured Expert Dialogue 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 climate-related impacts.

Costa Rica speaking for the Association of Independent Latin American and Caribbean States (AILAC) said implementation of actions is the foundation for the future climate change

regime and the work on national communications is crucial to build transparency. It said in Lima, Parties must decide on the best way to make progress on the issue of the implementation of Nationally Appropriate Mitigation Actions (NAMAs) and its registry. It also emphasised the urgent need for all countries to ratify the second commitment period of the Kyoto Protocol to lay the foundation to increase pre-2020 ambition in order to be able to make progress in post-2020 issues.

Australia speaking for the Umbrella Group said work on NAP will strengthen developing countries ability to integrate adaptation into national planning to reduce vulnerability. It looked forward to the adoption of the two-year work plan of the Warsaw International Mechanism on Loss and Damage.

The European Union wanted to see progress in all agenda items. It stressed that it is essential to increase robustness of the measuring, reporting and verification (MRV) system of all Parties taking into account different levels of capacity and national circumstances. It will continue its efforts on the ground to support LDCs and other developing countries in reducing vulnerabilities and mainstreaming adaptation.

Korea representing the Environmental Integrity Group said the group puts high priority on the multilateral assessment which is an important milestone not just for the 17 Annex I countries beign reviewed but for all Parties. It said the multilateral assessment will set a reference for the future IAR and ICA (International Consultation and Analysis) review process and on-going discussion of MRV.